

**CITY OF PONTIAC  
POLICE AND FIRE RETIREE PREFUNDED  
GROUP HEALTH & INSURANCE PLAN  
BOARD OF TRUSTEES VEBA MEETING MINUTES  
APRIL 30, 2015**

**Trustees Present**

Lon Britton, Vice-Chairman  
Nevrus Nazarko, Secretary (arrives 9:15 a.m.)  
Craig Storum  
Deirdre Waterman, Mayor

**Others Present**

Matt Henzi, Sullivan, Ward, Asher & Patton  
Chris Kuhn, The Bogdahn Group  
Liz Edwards, BeneSys, Inc.

**Trustees Absent**

Matt Nye, Chairman (excused)

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*Vice-Chairman Britton declared that a quorum was present and called the meeting to order at 9:00 a.m.*

**AGENDA CHANGES**

Mayor Waterman stated that she had to leave the meeting at 9:30, and asked that any items on the Consent Agenda for both the VEBA and the Retirement System Fund be immediately reviewed.

**RESOLUTION 15-016** By Storum, Supported by Waterman  
Resolved, That the Consent Agenda items for both the VEBA and Retirement System Fund be immediately reviewed for approval.

Yeas: 3 – Nays: 0

**CONSENT AGENDA**

- A. Approval of Regular Meeting Minutes: February 26, 2015
- B. Financial Reports
  - 1. Financial Reports – February 28, 2015
  - 2. Bills for Ratification – February, 2015, March, 2015, April, 2015

**RESOLUTION 15-017** By Storum, Supported by Waterman  
Resolved, That the Consent Agenda for April 30, 2015, be approved.

Yeas: 3 – Nays: 0

Attorney Henzi noted that a rescission and revision needs to be made to Resolution 15-011 made at the February 26, 2015, meeting. That motion directed the administrator to refund the member-contributions deducted from VEBA-Medicare members, only, from their pension benefit. The motion directed the refund to occur for the period September 1, 2013 – March 31, 2014.

Subsequent to the February meeting, the administrator discovered that the refund should occur for the period September 1, 2013 – July 31, 2014. Therefore, a motion to rescind and revise the prior motion is necessary.

**RESOLUTION 15-018** By Nazarko, Supported by Storum

Resolved, That Resolution 15-011 made at the February 26, 2015, meeting is rescinded; further, that VEBA assets shall be used to return healthcare contributions that had been deducted from VEBA-Medicare members' pension benefits, payable for the period September 1, 2013 – July 31, 2014, and payable only to VEBA-Medicare participants.

Yeas: 4 – Nays: 0

**CONSULTANTS**

A. The Bogdahn Group

Mr. Kuhn noted there was a capital call for Crescent Capital. Funds were transferred from Broadview Advisors and Bradford & Marzec.

Mr. Kuhn asked Attorney Henzi to review Public Act 314 to see if recent revisions to PA 314 would now permit the VEBA, with less than \$100MM in assets, to invest in the previously reviewed Inter-Continental investment vehicle. Trustee Nazarko asked Mr. Kuhn what we do if a manager invests outside of the investment ordinance guidelines. Mr. Kuhn responded that he monitors the investment managers and if he sees something outside the guidelines, will notify the Board and ask the manager why this was done, and ask them to correct it.

**REPORTS**

A. Chairman

B. Secretary

C. Trustee Committees

D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

**ATTORNEY'S REPORT**

**RESOLUTION 15-019** By Waterman, Supported by Storum

Resolved, That the Board move to closed session to discuss pending litigation at 9:20 a.m.

Yeas: 4 - Nays: 0

*The Board moved to closed session at 9:20 a.m.*

*Mayor Waterman leaves the meeting at 9:30.*

*The Board returned from closed session at 10:11 a.m.*

**RESOLUTION 15-020** By Nazarko, Supported by Storum  
Resolved, That the Board approve the February 26, 2015, closed session minutes.

Yeas: 3 – Nays: 0

**RESOLUTION 15-021** By Nazarko, Supported by Storum  
Resolved, That the Board take no further action on the Appeal in the lawsuit against the City of Pontiac that seeks to restore retiree health care benefits and which was on appeal following a decision by Circuit Court Judge Kumar, for the reasons stated in closed session and at the recommendation of legal counsel.

Yeas: 3 – Nays: 0

**Attorney Report – General Matters:**

RFP for Actuarial Services – Exhibit D

Attorney Henzi addressed this issue for the Board in the Attorney Report.

CAPIS Commission Restructure – Exhibit E

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Political Contribution Disclosure / Fee Disclosure – Exhibit F

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Crescent Direct Lending Investment – Exhibit H

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Sankaty Direct Lending Investment – Exhibit I

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Proposed Amendment to Open Meetings Act

Attorney Henzi stated there is a proposed amendment to the Open Meetings Act that would require Trustees to be physically present in order to cast a vote on a decision before the public body.

Changes to Michigan's FOIA Effective July 1, 2015 – Exhibit K

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Millennium Investment Contract

Attorney Henzi addressed this issue for the Board.

Burgundy Investment Contract

Attorney Henzi addressed this issue for the Board.

Pre-1996 Retiree Option to Deduct Health Care Insurance Coverage from Pension Benefit – Exhibit M

Attorney Henzi addressed this issue for the Board in the Attorney Report.

IRS Request for Form 990

Attorney Henzi addressed this issue for the Board in the Attorney Report.

PFRS/PF VEBA Fiduciary Duty Insurance Policy Renewal 6/1/15 – 5/30/16

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Miscellaneous Articles – Exhibit T

Attorney Henzi addressed this issue for the Board in the Attorney Report.

**UNFINISHED BUSINESS**

A. Participant Website

Mr. Wytrychowski noted that the participant website is up and running. An announcement was sent to all participants. Trustee Storum asked that the Meeting Agendas be posted on-line each month. Mr. Wytrychowski also stated that in the next six months, we will calculate the deferred participants' benefits and will upload them into their file.

B. Self-Pay Reconciliation

Mr. Wytrychowski stated that we reimbursed the VEBA Medicare participants their contribution amounts. He asked if we should refund the Medicare contributions to OPEB members as well. Trustee Britton stated that the motion only applied to VEBA Medicare participants. Mr. Wytrychowski asked if OPEB participants who were part of the VEBA in 2013 should get Medicare contribution refunds. Trustee Britton stated that if the VEBA paid those premiums then no, they should not receive the refund.

**NEW BUSINESS**

A. VEBA April 2015 Expenses

The Board reviewed the January invoices received from the City.

**RESOLUTION 15-022** By Britton, Supported by Storum

Resolved, That payment of the April, 2015, Blue Cross Blue Shield invoices be approved. The invoice from the City for participant contributions is tabled for further review.

Yeas: 3 – Nays: 0

**CORRESPONDENCE**

**NEXT MEETING DATE:** May 28, 2015

**ADJOURNMENT**

**RESOLUTION 15-023** By Storum, Supported by Nazarko  
Further Resolved, That the meeting be adjourned at 10:37 a.m.

Yeas: 3 – Nays: 0

I certify that the foregoing are the true minutes of the  
Police & Fire Retirement Pre-funded Group Health  
and Insurance Plan “VEBA Trust” on April 30, 2015.



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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*