

**CITY OF PONTIAC  
POLICE AND FIRE RETIREE PREFUNDED  
GROUP HEALTH & INSURANCE PLAN  
BOARD OF TRUSTEES VEBA MEETING MINUTES  
JUNE 26, 2014**

**Trustees Present**

Lon Britton  
Nevrus Nazarko, Secretary  
Deirdre Waterman, Mayor (arrives 10:10 a.m.)  
Craig Storum

**Others Present**

Matt Henzi, Sullivan, Ward, Asher & Patton  
Chris Kuhn, Gray & Company  
Chuck Wytrychowski, BeneSys, Inc.  
Liz Edwards, BeneSys, Inc.

**Trustees Absent**

Matt Nye, Chairman

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*Vice-Chairman Britton declared that a quorum was present and called the meeting to order at 9:20 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Approval of Regular Meeting Minutes: May 29, 2014, adjust to show that Vice-Chairman Britton called the Meeting to order.
- B. Financial Reports
  - 1. Financial Reports – April 30, 2014
  - 2. Bills for Ratification – June, 2014

**RESOLUTION 14-033** By Storum, Supported by Nazarko  
Resolved, That the Consent Agenda for June 26, 2014, be approved.

Yeas: 3 – Nays: 0

**CONSULTANTS**

- A. Gray & Company

Mr. Kuhn reviewed the Fund status as of June 20. He stated that the equity market is creeping higher, mergers and acquisitions are picking up, as well as capital expenditures, which is great news. Mid/small/large cap all performed well.

## **REPORTS**

- A. Chairman
- B. Secretary
- C. Trustee Committees
- D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

### **Attorney Report – General Matters:**

#### IRS Request for Form 990

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

#### PFRS and VEBA Liability Insurance Renewal – (Exhibit D)

Attorney Henzi noted that the Administrator has forwarded the renewal application to Union Services Agency. The invoice for the annual premium has been placed for payment.

#### Board Elections

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

#### Dental Insurance Premiums Are Deductible under the HELPS Act – (Exhibit J)

Attorney Henzi noted that dental deductions are tax deductible under the HELPS Act.

#### Proposed Amendment to Open Meetings Act Regarding Content of Meeting Minutes - (Exhibit M)

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

#### Proposed Amendment to Open Meetings Act Regarding FOIA Requests – Exhibit N

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

### **RESOLUTION 14-034** By Nazarko, Supported by Storum

Resolved, That the Board move to closed session to discuss pending litigation at 9:27 a.m.

Yeas: 3 - Nays: 0

*The Board moved to closed session at 9:27 a.m.*

*The Board returned from closed session at 10:03 a.m.*

### **RESOLUTION 14-035** By Storum, Supported by Nazarko

Resolved, That the Board approve action on the items discussed in closed session.

Yeas: 3 – Nays: 0

**RESOLUTION 14-036** By Storum, Supported by Nazarko  
Resolved, That the Board approve the May 29, 2014, closed session minutes.

Yeas: 3 – Nays: 0

Trustee Britton stated that the pre-1996 retirees think we are on the right track, have no issues with the way the Board is overseeing items, and that the Board is doing the right thing. He noted that we will make a presentation at the upcoming CPREA meeting.

### **UNFINISHED BUSINESS**

#### **A. Feedback on Informational Meeting**

Trustee Britton noted that people are happy with the communications the Fund presents. Therefore this item should be removed from future agendas as there is no need for informational meetings at this time.

#### **B. Participant Website**

The participant website is in progress. It will take special programming as some documents typically are not contained on private employers' websites.

#### **C. Self-Pay Reconciliation**

Mr. Wytrychowski stated that the self-pay reconciliation will be worked on during the upcoming weeks.

#### **D. Actuarial Valuations**

Mr. Wytrychowski stated that the actuary is working on the valuations at this time. Trustee Britton asked if we are contracted for an annual actuarial valuation for the VEBA. Mr. Wytrychowski responded it is probably necessary in order to get the funding. Attorney Henzi noted there has been an annual valuation for six years.

### **NEW BUSINESS**

#### **A. VEBA June 2014 Expenses**

The Board reviewed the June invoices received from the City.

**RESOLUTION 14-037** By Nazarko, Supported by Storum  
Resolved, That payment of the May, 2014, Blue Cross Blue Shield invoices be approved.

Yeas: 4 – Nays: 0

B. Trustee Elections

This will be discussed in greater detail in the Retirement System meeting.

**CORRESPONDENCE**

A. Letter to Auditors, June 17, 2014

Mr. Wytrychowski noted that the auditors will present the audit at the July 31, 2014, meeting.

B. Mayor Waterman Article, June 19, 2014

C. Delta Dental Survey Letter, June 24, 2014

A draft of the Delta Dental Survey letter was presented. Trustee Britton commented that the letter makes it very clear that the retiree will pay 100% of the premium cost, that it should be mailed to the retirees, and should include a self-addressed stamped return envelope.

**RESOLUTION 14-038** By Nazarko, Supported by Storum

Resolved, That the mailing of the Delta Dental Survey Letter to all retirees, including a self-addressed stamped return envelope, be approved.

Yeas: 4 – Nays: 0

**NEXT MEETING DATE:** July 29, 2014

**ADJOURNMENT**

**RESOLUTION 14-039** By Storum, Supported by Nazarko

Further Resolved, That the meeting be adjourned at 10:18 a.m.

Yeas: 4 – 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 June 26, 2014.



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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*