

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
May 26, 2022**

A regular meeting of the Board of Trustees was held on Thursday, May 26, 2022.

Trustees Present

Lon Britton
Craig Storum
Darin Carrington, Finance Director
Tim Greimel, Mayor

Others Present

Matt Henzi, AsherKelly
Chris Kuhn, AndCo.
Duane Menter, BeneSys, Inc.
Violet Gjorgjevski, BeneSys, Inc.
Jennifer Crosby, BeneSys, Inc.

Trustees Absent

Matt Nye

Chairman Storum declared that a quorum was present and called the meeting to order at 10:20 a.m.

CONSENT AGENDA

- A. Minutes of Regular Meeting – December 7, 2021
- B. Minutes of Regular Meeting – February 24, 2022
- C. Financial Reports
 - 1. Financial Reports – December 2021 and January 2022
 - 2. Bills for Ratification through May 13, 2022
 - 3. Pension Report
 - New Retirees
 - a. Elinski, Robert, PPOA, 03/14/2022
 - b. McDonald, Scott, PPOA, 03/31/2022
 - c. Collis, Nancy, PPOA, 01/11/2022
 - Upcoming Retirees
 - a. Lasseigne, Edward, PPOA, 04/28/2021
 - b. Contreras, Goretta, PPOA, 12/03/2020
 - c. Felts, Chester, PPOA, 05/18/2022
 - 4. Pay Status List 05-2022

RESOLUTION 22-05 By Britton, Supported by Carrington
Resolved, That the items on the Consent Agenda May 26, 2022 be approved.

Roll Call Vote: Lon Britton Yea
 Craig Storum Yea
 Darin Carrington Yea

CONSULTANTS

A. AndCo.

Christopher Kuhn for the First Quarter 2022. The global economy faced headwinds as Russia invaded Ukraine in February. Despite their small percentage of the global GDP, both Russia and Ukraine play significant roles in the global economy. Russia provides most of Europe's energy supplies and combined, both countries account for a large percentage of food supplies. Prior to the crisis in Ukraine, the global and US economies were already expected to grow at a slower rate in the 1st quarter. For the 4th quarter 2021, the US GDP grew at an annual rate of 6.9%. Estimates for the 1st quarter 2022 vary significantly, ranging between 0.5% and 2.0%. The US labor market remained a source of strength during the 1st quarter with the unemployment rate falling to 3.6% in March. The pace of job growth accelerated during the quarter with a three-month average of roughly +562,000. Importantly, the number of workers re-entering the workforce increased during the quarter with strong wage growth as the likely catalyst. The US Federal Reserve Bank (the Fed) began the process of normalizing interest rates by raising the Fed Funds rate by 0.25%. Additionally, the Fed signaled it was ready to begin the process of shrinking its balance sheet by not reinvesting up to \$95 billion of maturing bonds into new securities each month. This process is referred to as "quantitative tightening" and is meant to drain liquidity from the economy with the goal of slowing inflation.

RESOLUTION 22-06 By Britton, Supported by Carrington

Resolved, to terminate Loomis Sayles as investment manager for the PFRS and move those funds to Fidelity Small Cap Index.

Roll Call Vote:	Lon Britton	Yea
	Craig Storum	Yea
	Darin Carrington	Yea
	Mayor Greimel	Yea

ATTORNEY'S REPORT

RFP for Auditing Services

Attorney Henzi addressed this matter for the Board in the Attorney Report. Shortly before the last Trustee Meeting, Plante Moran notified legal counsel that it would no longer provide services as auditor for the PFRS and PF VEBA. At the last meeting, the Trustees directed legal counsel to draft an RFP for auditing services and to work with the Chairman regarding this process. Legal counsel sent an RFP to the following accounting firms: Bonadio & Company, Alan C. Young & Associates, Wrubel Wesley, George Johnson Company, and Yeo & Yeo. Responses were due on or before May 16, 2022. Only one firm responded, Bonadio & Company.

RESOLUTION 22-07 By Britton, Supported by Storum

Resolved, to hire Bonadio & Company to prepare the City of Pontiac Police & Fire Pension audit.

Roll Call Vote: Lon Britton Yea
Craig Storum Yea
Darin Carrington Yea
Mayor Greimel Yea

GERS FOIA Request and Response

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

Annuity Withdrawal Calculation Factors

Attorney Henzi addressed this matter for the Board in the Attorney Report. Nyhart sent correspondence to BeneSys asking whether the Trustees were aware of a PBGC interest rate issue. Nyhart sought guidance on what interest rate to use when converting an annuity withdrawal into a lump sum. Legal counsel discussed the matter with Nyhart and with the Chair. Upon the recommendation of Nyhart and legal counsel, the Chair directed Nyhart to continue to use the PBGC interest rates, now calculated by Nyhart. This would be the same calculation as used in the past.

RESOLUTION 22-08 By Britton, Supported by Carrington

Resolved, to ratify the Chairman's actions in regard to the Annuity Withdrawal Calculation Factors and to direct Nyhart to continue to use the PBGC interest rates, now calculated by Nyhart.

Roll Call Vote: Lon Britton Yea
Craig Storum Yea
Darin Carrington Yea
Mayor Greimel Yea

PA Capital Access to Share Information with Custodian Bank

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, PA Capital, a new investment manager, requested authority to share information with Northern Trust so that it could wire a distribution of income to Northern Trust, the custodian bank. This required executing paperwork for the entities to share records. The Chairman executed the appropriate documents. The Board should consider a motion to ratify the Chairman's actions.

RESOLUTION 22-09 By Britton, Supported by Carrington

Resolved, to ratify the Chairman's actions in regard to PA Capital Access to share information with the Custodial Bank.

Roll Call Vote: Lon Britton Yea
Craig Storum Yea
Darin Carrington Yea
Mayor Greimel Yea

Fiduciary Liability Renewal for Policy Period June 1, 2022 to June 1, 2023

Attorney Henzi addressed this matter for the Board in the Attorney Report. Coverage expires on the existing Fiduciary Liability coverage for the PFRS and PF VEBA on May 31, 2022. Union Services Agency shopped the marketplace for renewal coverage. The agent recommends renewing with Chubb Insurance Agency with limits of liability of \$1M with a \$50,000

deductible. The annual premium cost for June 1, 2022 through June 1, 2023 is \$34,044. The limits of liability, deductible, and premium are the same as the 2021-2022 policy.

RESOLUTION 22-10 By Britton, Supported by Carrington

Resolved, to approve and execute the renewal of Fiduciary Liability Policy for period of June 1, 2022 to June 1, 2023.

Roll Call Vote:	Lon Britton	Yea
	Craig Storum	Yea
	Darin Carrington	Yea
	Mayor Greimel	Yea

Financial Investment News FOIA Request Response

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

Political and Fee Disclosure Statements

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

Legislative Update

House Bill 6021

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

House Bill 5427

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

House Bill 5467

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

Senate Bill 705

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

PUBLIC COMMENT

Appeal 2826942353 – Edward Lasseigne

Mr. Lasseigne addressed the Board in person along with Frances Finnegan who accompanied him. Mr. Lasseigne is adamant that he did not request or receive a check for his pension contribution refund. BeneSys provided a copy of this Application for Refund of Accumulated Contribution. BeneSys found the meeting minutes from September 28, 2006 showing that the Board approved for Mr. Lasseigne to receive a refund of Accumulated Contributions. There is also a copy of the check statement showing a check was issued by ADP to Mr. Lasseigne. BeneSys agreed to reach out to ADP to see if it was possible to get a copy of cancelled check.

UNFINISHED BUSINESS - None

NEW BUSINESS

A. Annuity Withdrawal Calculation Factors

B. CHUBB Fiduciary Liability Policy Renewal

C. Correspondence to Edward Lasseigne re: Withdrawal of Contributions

CORRESPONDENCE

A. BeneSys DOL Cyber Security Program Response

B. BeneSys Navigator Q1 2022

C. Northern Trust Asset Management Leadership Change

NEXT MEETING DATE: September 14, 2022, 1:00 p.m.

ADJOURNMENT

RESOLUTION 22-11 by Britton, Supported by Carrington
Further Resolved, That the meeting be adjourned at 11:58 a.m.

Roll Call Vote:	Lon Britton	Yea
	Craig Storum	Yea
	Darin Carrington	Yea
	Mayor Greimel	Yea

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on May 26, 2022

As recorded by BeneSys