

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
February 12, 2026**

A regular meeting of the Board of Trustees was held on Thursday, February 12, 2026, at BeneSys, Inc., Troy, MI

Trustees Present

Craig Storum, Chairman
Michael McGuinness, City of Pontiac Mayor
Robert Widigan, City of Pontiac Finance Director
Lon Britton, Trustee
Matt Nye, Trustee

Others Present

Matt Henzi, AsherKelly
Chris Kuhn, Mariner
Violet Gjorgjevski, BeneSys
Jennifer Crosby, BeneSys, Inc.
Danielle Winegardner, Nyhart
Andre Siner

Chairman Storum declared that a quorum was present and called the meeting to order at 10:03 a.m.

AGENDA CHANGES

Nyhart – Danielle Winegardner

A. Experience Study

Ms. Winegardner reviewed the results of the Experience Study performed by Nyhart. She explained that setting good assumptions is key to accurate actuarial measurement projections. She made recommendations to lower the interest rate to 7.00%, update to Pub-2016 Mortality Table and continue the current amortization method of 18-years closed level dollar.

RESOLUTION 26-01 By Britton, Supported by Nye

Resolved, per recommendation of Actuary, to lower the assumed investment return rate from 7.25% to 7.00%, to update to the Pub-2016 Mortality Table, and to continue the current amortization method of 18-years closed level dollar.

Yea – 5 Nay – 0

RESOLUTION 26-02 By Mayor McGuinness, Supported by Britton

Resolved, to move New Business item VIII B. Nyhart – Annuity Withdrawal Rates to the next matter for discussion for Ms. Winegardner to share in discussion.

Yea – 5 Nay – 0

B. Nyhart – Annuity Withdrawal Rates

Mr. Henzi, in conversation with Ms. Winegardner in January 2026 states that he reviewed his notes, attorney report, and May 26, 2022, PFRS meeting minutes upon receipt of Ms. Winegardner’s email in which she questioned whether the Board expected Nyhart to annually calculate annuity withdrawal factor interest rates. All these documents evidence that the Board resolved to direct Nyhart to continue to use the PBGC interest rates, now calculated by Nyhart. It was not made clear whether the Board expected Nyhart to indefinitely use the then-existing rate or to annually change the rate. Today, the matter is on the agenda for discussion and request that the Board give clear directions. Discussion took place and the Board felt that the annually

calculated annuity withdrawal factor interest rate should be calculated based on what the CBAs stated at the time the annuity was taken.

RESOLUTION 26-03 By Britton, Supported by Nye

Resolved, to table this matter to allow Legal Counsel to review the CBAs in relation to the annually calculated annuity withdrawal factor interest rates.

Yea – 5 Nay – 0

CONSENT AGENDA

A. Minutes of Regular Meeting – December 11, 2025

B. Financial Reports

1. Financial Reports – October & November 2025

2. Bills for Ratification through January 31, 2026

3. Pension Report

a. New Retirees

1. Miller, Michael, PPOA, 11/1/2025

b. Upcoming Retirees

1. Cosby, Michael, PFFU, 1/20/2026

c. Pay Status List – December 2025

RESOLUTION 26-04 By Mayor McGuinness, Supported by Widigan

Resolved, that the Consent Agenda for February 12, 2026, be approved.

Yea – 5 Nay – 0

CONSULTANTS

Mariner – Chris Kuhn

A. Preliminary Investment Performance Review – December 31, 2025

Mr. Kuhn provided a Market Summary for the Board. The capital market demonstrated remarkable resilience in the fourth quarter, navigating the US government shutdown, trade policies variations, and labor market weakness to generate positive results. The Federal Reserve cut interest rates twice during the quarter and three times in 2025, shifting their focus from fighting inflation to stimulating the labor market. Strong economic growth and corporate profits helped drive the equity market to record highs in late December; the S&P 500 gained 2.7% during the quarter. Value outperformed growth as the equity market favored more defensive sectors (Healthcare and Financials). International stocks provided the strongest returns during the quarter, increasing almost 5%. Despite the rate cuts from the Fed, interest rates finished December nearly unchanged from their October levels; the Bloomberg US Aggregate returned 1.1% for the quarter. For the year investors enjoyed strong returns from stocks and bonds with the S&P 500 gaining almost 18% and the Bloomberg US Agg rising over 7%.

The Total Fund's 3Q performance was revised from 5.08% to 5.13% after accounting for the alternative investments. The Total Fund gained 1.98% (preliminary return) during the quarter, narrowly underperforming the Policy Index and ranking in the third quartile of the Public Fund universe. Note: many of the private investments have not reported 4Q results in time for this report (approximately 10% of the Fund). The Total Fund returned 12.53% over the past year, trailing the Policy Index by 0.89% and ranking in the third quartile of the peer group but handily exceeding the actuarial assumed rate of return. Longer-term, the Fund has exceeded the Policy Index and generally ranked in the top half of the public fund universe. SCP (Seizert) small value lagged the Russell 2000 Value Index and ranked in the third quartile of the peer group. The managers under performance is partially attributed to poor results within

the Communication Services, Consumer Staples, and Health Care sectors SCP trails performance expectations after six quarters. Hudson Edge underperformed the MSCI ACWI ex US Index and ranked in the third quartile of their peer group. The manager was hindered by poor stock selection within Industrials, Financials, Materials, and Health Care. Hudson Edge exceeds performance expectations after one year. At quarter end the Fund was overweight large cap equities and underweight to core fixed income; all allocations are within policy guidelines. The Fund was in compliance with MI Act 314 at quarter end. Note: See the Asset/Manager Summary for additional comments and recommendations.

Mr. Kuhn updated the Board that due to the auditor issues for alternative investments, he requested that Fifth Third turn off reporting for the alternative investments as of Third Quarter 2025.

B. Market Update – January 31, 2026

C. Asset/Manager Summary – February 2026

ATTORNEY’S REPORT

Follow-Up on Audited Financial Statements.

Attorney Henzi addressed this matter for the Board in the Attorney Report. Legal counsel also conducted a meeting with Bonadio and the BeneSys account department to discuss some ongoing audit deficiencies. BeneSys disputes all of the audit deficiencies. The parties agreed to share information and to revisit the audit deficiencies before the next audit. Legal also provided some of BeneSys’ responses to audit deficiencies to Bonadio to determine whether Bonadio is satisfied with BeneSys’ positions. We are hopeful this will resolve all audit deficiencies. The audited financials for the period ended December 31, 2024 noted a balance due to the VEBA Trust that had not been reconciled. Bonadio recommended that management substantiate all related party transactions with written documents and reconcile related party balances on a monthly basis. BeneSys proposed an adjusted journal entry to write off the liabilities as the VEBA Trust does not reflect these as receivables. The proposed entry will include a credit of \$155,542.65, which will negate the debit in the same amount. We recommend the Trustees approve the journal entry. Since the last meeting, legal counsel, Bonadio, and BeneSys have exchanged multiple correspondence regarding resolving all audited financial statement issues.

Robert Widigan left the meeting at 10:58 a.m.

RESOLUTION 26-05 By Mayor McGuinness, Supported by Britton

Resolved, that the BeneSys proposed adjusted journal entry to write off liabilities to the City of Pontiac VEBA Trust in the amount of \$155,542.65 as the VEBA Trust does not reflect these receivables, be approved.

Yea – 4 Nay – 0

Intestate Member Policy

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, legal counsel did further research and discovered that Michigan’s Probate Code allows for the payment of small estates (\$51,000.00 or less) without the necessity of opening a probate estate. Legal counsel prepared the attached Policy which would permit an heir of a member who died intestate to request payment of any payable benefit held by the PFRS. The PFRS exercises its fiduciary duties by verifying the identity of the heir and any other potential heirs. Once payment is made to the requesting heir, that individual solely bears responsibility to distribute estate assets to other heirs. Requisite forms to be sent to individuals in this circumstance was provided along with a Policy.

RESOLUTION 26-06 By Mayor McGuinness, Supported by Nye Resolved, that the Intestate Member Policy be approved.

Yea – 4 Nay – 0

Mayor McGuinness left the meeting at 11:00 a.m.

2025 Audit Engagement Letter

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

RESOLUTION 26-07 By Britton, Supported by Nye Resolved, that the ratification of Chairman Storum’s signature on the 2025 Audit Engagement Letter, be approved.

Yea – 3 Nay – 0

Annuity Withdrawal Calculation Factors

Attorney Henzi addressed this matter for the Board in the Attorney Report. Mr. Henzi advised that he reviewed the applicable CBA language relating to calculation of pension benefits and annuity factors. The CBAs each included identical language. The CBAs stated that the Board is authorized to set the annuity factor rate. Based on the discovery that the CBAs did not require specific calculation of the annuity factor rate, and that the CBAs gave the sole discretion to the Trustees to set the rate, the Trustees revived prior discussions on this topic.

RESOLUTION 26-08 By Nye, Supported by Britton Resolved, to remove from the table the prior discussion on the issue of calculating annuity factor interest rates (Resolution 26-03).

Yea – 3 Nay – 0

RESOLUTION 26-09 By Nye, Supported by Britton Resolved, that the discontinuation of the use of the PBGC provided methodology previously approved in May 2022, be approved.

Yea – 3 Nay – 0

RESOLUTION 26-10 By Britton, Supported by Nye Resolved, that the Annuity Withdrawal Option calculations be recalculated using the PGBC equivalent for the year in which the person retired, be approved. Nyhart is directed to calculate the annuity withdrawal factor rate annually, under guidelines previously established, i.e. Nyhart’s variation on what the PBGC previously published. This interest rate will be applied to each retiree during the calendar year referenced in the Nyhart rate.

Yea – 3 Nay – 0

Andre Siner FOIA Request

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

RESOLUTION 26-11 By Britton, Supported by Nye Resolved, that Public Comment be moved up on agenda because Mr. Siner is present via Teams, be approved.

Yea – 3

Nay – 0

Mr. Siner addressed the Board regarding his eligibility for a Pension with the Pontiac Police and Fire Retirement System. He informed the Board that he was a police officer for approximately 9 years. He agreed that he withdrew his contributions in 2010. He identified three other former Police Department members that he claimed withdrew their contributions when they were laid off by the city of Pontiac. Further, that those individuals were not required to redeposit their accumulated contributions as a condition of receiving pension benefits. He articulated that he feels that denying his request while having previously approved similarly situated members would constitute unequal and arbitrary treatment.

Additionally, he stated that he continued public employment under the reciprocal governmental units covered by the Reciprocal Retirement Act, including service within a school district police authority and other public law enforcement positions.

He is asking that the Board recognize his approximately 9 years of service (actually 8 years, 8 months) as vested and eligible for pension benefits and waive the repayment of withdrawn contribution requirement.

Extensive discussion took place. The Board asked that BeneSys completely review the Pension/Retirement of the three members that Mr. Siner stated either are receiving or will be receiving a Pension without repayment of their withdrawn contributions. Mr. Henzi requested that Mr. Siner provide to BeneSys additional information regarding Mr. Siner’s claim that he has qualifying previous employment that would allow him to receive a pension benefit for the Reciprocal Retirement Act.

Audit of Deferred Vested Retirements Without Repayment of Contributions

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, legal counsel met with BeneSys to conduct an audit of the deferred vested buyout program. Legal counsel requested that BeneSys identify: 1. The deferred vesteds who took the buyout and received a check thus extinguishing their membership in the System; 2. The deferred vesteds who took the buyout and paid contributions back, with interest, to restore their membership in the PFRS. Further, to identify whether these individuals are in pay status; and 3. Whether any deferred vesteds are in pay status who withdrew their contributions before retirement and did not pay the contributions back before going into pay status. BeneSys has been reviewing and updating its review of records to produce the information which will be available at the Trustee meeting.

Suspension of COLA and Pension Benefit Due to No Vital Information Form

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

PA 314 Disclosure

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

FOIA Responses

- With Intelligence – January 12, 2026
- Bloomberg – February 4, 2026

The Board moved to closed session at 11:30 a.m.

RESOLUTION 26-12 By Nye; seconded by Storum

Resolved, to go into closed session to discuss pending litigation in the following matters: Coty, Inc., Dayforce, Inc, Immunovant, R1 RCM, Inc., Southwest Airlines Co, and Kenneth Eggert.

Roll Call Vote:	Craig Storum	Yea
	Lon Britton	Yea
	Matt Nye	Yea

Motion Carried

The Board returned from closed session at 11:39 a.m.

RESOLUTION 26-13 By Britton, Supported by Nye

Resolved, that the ratification of Chairman Storum's and Trustee Nye's actions as discussed in Closed Session for Coty Inc., Dayforce, Inc. and R1 RCM, Inc, be approved.

Yea – 3 Nay – 0

RESOLUTION 26-14 By Britton, Supported by Nye

Resolved, to approve the closed session minutes from the September 3, 2025 meeting.

Yea – 3 Nay – 0

UNFINISHED BUSINESS

A. 2025 Annual Vital Information Mailing Results

Ms. Crosby informed the Board that all outstanding Vital Information Forms have now been received.

B. BeneSys Response to Audit IT Deficiencies

BeneSys provided their previously tabled response to the IT deficiencies from December 31, 2024, audit. Discussion took place.

C. BeneSys Response to Accounting Deficiencies Update

The Board reviewed this item and discussed progress being made for future audits.

D. BeneSys Pension Calculation Audit Statement of Work

BeneSys provided a Statement of Work for the Board of Trustees request for an Audit 5% of each year of pension calculations from July 1, 2004, through December 2012.

RESOLUTION 26-15 By Nye, Supported by Britton

Resolved, that the BeneSys Statement of Work for the audit of 5% of each year of pension calculations from July 1, 2004, through December 2013, be approved.

Yea – 3 Nay – 0

E. BeneSys Response to Redeposit of Contributions

BeneSys provided their response and analysis to the Board's questions regarding the Redeposit of Contributions. Discussion took place.

F. Sample Annual Verification Notice for Benefits

The Board requested that Ms. Crosby update the sample to reflect the PFRS and provide that to Legal Counsel for review prior to the next meeting.

G. Comerica Notice of Outstanding Invoices

The Board stated that unless Comerica can provide detailed invoicing as requested, they will not provide approval for payment.

NEW BUSINESS

A. NCPERS Membership & Conference Information

RESOLUTION 26-16 By Britton, Supported by Nye
Resolved, that the payment for membership to NCPERS, be approved.

Yea – 3 Nay – 0

B. Deferred Vested Buyout Program Review of Records

Legal Counsel asked that BeneSys review the records of the deferred vested and identify for the Board and identify the deferred vested who took the buyout and received a check, thus extinguishing their membership in the System, identify the deferred vested who took the buyout and paid contributions back, with interest, to restore their membership in the PFRS (also identify whether these individuals are in pay status) and identify whether any deferred vested are in pay status who withdrew their contributions before retirement and did not pay the contributions back before going into pay status. BeneSys provided the requested information. Discussion took place.

C. December 31, 2025, Audit

BeneSys began work on the audit for December 31, 2025.

D. December 31, 2025, Actuarial Valuation

BeneSys has begun work on the actuarial valuation for December 31, 2025.

CORRESPONDENCE

- A. Pension Eligibility – Andre Siner**
- B. BeneSys Response to DOL Cybersecurity Guidelines 4th Q 2025**
- C. Fifth Third Communication re Lukoil ADR Holding**

Mr. Henzi informed the Board that both Lon Britton and Matt Nye have terms expiring in May 2025 so Trustee Elections will need to take place. He will work with BeneSys to complete the mailings.

NEXT MEETING DATE: May 14, 2026, 10:00 a.m.

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on February 12, 2026.

As recorded by BeneSys

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