

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
August 22, 2024**

A regular meeting of the Board of Trustees was held on Thursday, August 22, 2024, at the office of BeneSys, Troy, MI.

Trustees Present

Craig Storum, Chairman (via Zoom)
Lon Britton Vice-Chairman
Matt Nye, Trustee
Tim Greimel, City of Pontiac Mayor

Others Present

Matt Henzi, AsherKelly
Violet Gjorgjevski, BeneSys, Inc.
Jennifer Crosby, BeneSys, Inc
Danielle Winegardner, Nyhart
Jennifer Turk, Nyhart
Karen Nasoni, Bonadio
Rachel Kavney, Bonadio

Acting Chairman Nye declared that a quorum was present and called the meeting to order at 9:42 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – May 23, 2024
- B. Minutes of Special Meeting – June 27, 2024
- C. Financial Reports
 - 1. Financial Reports – April - June 2024
 - 2. Bills for Ratification through August 22, 2024
 - 3. Pension Report
 - a. New Retirees
 - 1. Pesko, Craig, PPOA, 05/26/2024
 - 2. Dennis, Neil, PPOA, 07/15/2024
 - 3. Hayes, Kyle, PPOA, 8/15/2024
 - b. Upcoming Retirees
 - 1. Garrett, Gilbert, PPOA, 10/16/2024
 - 2. Lasseigne, Edward, PPOA, 04/28/2021
 - c. Pay Status List – July 2024

RESOLUTION 24-17 By Britton, Supported by Storum
Resolved, that the Consent Agenda for August 22, 2024, be approved.

Yea – 4 Nay – 0

CONSULTANTS

- A. Nyhart – Danielle Winegardner & Jen Turk

Ms. Winegardner presented the December 31, 2023, Actuarial Valuation to the Board. Discussion focused on the results of the valuation and the January 1, 2026, contribution calculations. She informed the Board that the market value of assets returned 8.9% during 2023, with asset smoothing in place to help limit volatility. She explained that the smoothed asset basis provides a funded ratio that

remained steady from 88% to 90%, with unfunded liability of \$25M. The Actuarial Valuation of Assets for December 31, 2023, is \$211.9M. The Plan is not in underfunded status for Michigan PA-202. The recommended contributions decreased from \$3.4M to \$3M. Discussion took place.

RESOLUTION 24-18 By Nye, Supported by Britton

Resolved, to adopt and approve the Actuarial Valuation for December 31, 2023, as amended.

Yea – 4 Nay – 0

RESOLUTION 24-19 By Britton, Supported by Storum

Resolved, to authorize Nyhart to perform an experience study in 2025 per recommendation.

Yea – 4 Nay – 0

B. Bonadio – Rachel Kavney & Karen Nasoni

Ms. Kavney informed the Board that Bonadio had no significant difficulties in dealing with management in performing and completing their audit. Extensive discussion took place regarding the reported deficiencies in internal controls and recommendations were made as to how to reduce these deficiencies in future audits. There was a Net Increase in Net Position for 2023 of \$370K. The Net Position as of December 31, 2023, is \$198.8M restricted for Pension.

RESOLUTION 24-20 By Mayor Britton, Supported by Storum

Resolved, to adopt and approve the Audit for December 31, 2023, as amended

Yea – 4 Nay – 0

ATTORNEY’S REPORT

Outstanding Vital Information Forms

Attorney Henzi addressed this matter for the Board in the Attorney Report. Legal counsel worked with BeneSys to determine whether there were any retirees, , where payment was stopped due to non-receipt of the Vital Information Form. Four individuals were identified. BeneSys could not find an address for these Participants. Legal counsel worked with BeneSys to find alternative addresses.

Experience Study

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

American Strategic Value Realty

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

2017 Audit Corrective Action Plan

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

FOIA

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

PA 202 Requirement for Actuary Audit

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

Record Retention Policy

Attorney Henzi addressed this matter for the Board in the Attorney Report. Upon consultation with BeneSys, legal counsel proposes that the Board consider the attached Record Retention Policy for adoption. The purpose of the Policy is to provide BeneSys with guidance on how to retain certain documents and for how long the document should be retained. Legal counsel has drafted a similar Policy for other systems, which have approved by the State of Michigan.

RESOLUTION 24-21 By Britton, Supported by Storum
Resolved, approve and adopt the record retention policy as provided.

Yea – 4 Nay – 0

Portfolio Monitoring – Labaton Keller Sucharow, LLP

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

Kenneth Eggert Overpayment

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

RESOLUTION 24-22 By Mayor Greimel, Supported by Storum
Resolved, to obtain legal counsel in Texas to file suit to recover overpayment from Power of Attorney for Mr. Eggert.

Yea – 4 Nay – 0

Comerica Trustee Credit Cards

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

McNeary EDRO

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

Krupa EDRO

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

Fifth Third Transition by Custodian Bank to Issue Pension Payments

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

Portfolio Monitoring Report

Motley Rice 2nd Quarter 2024
Bernstein Litowitz 2nd Quarter 2023
Robbins Geller

- May 31, 2024
- June 28, 2024
- July 26, 2024

The Board moved to closed session at 11:46 a.m.

RESOLUTION 24-23 By Mayor Greimel, Supported by Britton
Resolved, to go into closed session to discuss pending litigation in the following matters:
Southwest Airlines Co, Norfolk Southern Corporation, Frontier Communications Parent, Inc.,
Bank of Nova Scotia.

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

The Board returned from closed session at 11:52 a.m.

RESOLUTION 24-24 By Britton, Supported by Nye
Resolved, to ratify the Chairman’s action to authorize legal counsel to file a shareholder derivative action against Southwest Airlines and certain Southwest Airlines’ insiders for damages and other relief arising from their breaches of fiduciary duty and violations of law, in response to the Southwest Airlines’ Board’s failure to accept this Board’s previously served litigation demand.

Yea – 4 Nay – 0

PUBLIC COMMENT – None

UNFINISHED BUSINESS

A. Custodian Bank Transfer

Ms. Gjorgjevski updated the Board that testing process has been completed with Fifth Third and August pension payments will be made from Fifth Third. This item is now complete.

B. Comerica Bank Fees

At the last Board meeting Ms. Crosby was instructed by the Board to reach out to the Relationship Manager at Comerica Bank and to provide Comerica with both the Fee Concession Letter and the invoices received for the same time frame and ask Comerica to confirm that the invoices are not outstanding because the fees were being waived. Ms. Ryans, the Relationship Manager, responded that she will have a response by the end of July, no response was ever received.

C. Actuary Audit PA 202

This item was discussed during the Legal Report.

D. Vital Information Mailer

This item was discussed during the Legal Report.

E. MacBooks

Ms. Gjorgjevski reminded the board that she has 2 MacBooks that were purchased by the Trust for use by the Mayor and the Finance Director. The Mayor returned his as he was not using it and there is not a current Finance Director. Discussion took place.

RESOLUTION 24-25 By Britton, Supported by Storum

Resolved, that, if the City representative Trustees on this Board do need the idle MacBooks for use in their position as Trustee, then to donate the MacBooks to a non-profit organization within the City of Pontiac, to be selected at the recommendation of the Mayor, for use in the furtherance of that organization's activities.

Yea – 4 Nay – 0

NEW BUSINESS

A. BeneSys – Statement of Work

Ms. Gjorgjevski informed the Board that the transition of custodial banks from Comerica to Fifth Third required a significant amount of development on the behalf of BeneSys because of the impact on the pension disbursement process and is outside the scope of work defined in Benesys' contract. This involved analysis, requirement gathering from Fifth Third, development, testing, implementation, procedural documentation and deployment. As a result, a Statement of Work was presented to the Board to cover the cost of the transition, in accordance with the system's contract with Benesys.

RESOLUTION 24-26 By Mayor Greimel, Supported by Britton

Resolved, to approve the Statement of Work for the transition of custodial banks from Comerica to Fifth Third and the change of the pension disbursement process as presented.

Yea – 4 Nay – 0

CORRESPONDENCE

The following correspondence was presented in advance and reviewed by the Board:

- A. ABS – Nile Announcement**
- B. BeneSys DOL Cybersecurity Program Response Q2 2024**
- C. Crescent Investor Letter**
- D. Garcia Hamilton Firm Update**
- E. Garcia Hamilton Newsletter**
- F. MAPERS Fall 2024 Conference Preliminary Agenda**
- G. Parametric Management Changes**
- H. Seizert – Save the Date**

NEXT MEETING DATE: September 11, 2024, St. John Resort, 2:00 p.m.

ADJOURNMENT

RESOLUTION 24-27 By Britton, supported by Mayor Greimel
Further Resolved, that the meeting be adjourned at 12:30 p.m.

Yea – 4 Nay – 0

I certify that the foregoing are the true and correct minutes
of the meeting of the Police and Fire Retirement System
held on August 22, 2024.

As recorded by BeneSys