

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
September 3, 2025**

A regular meeting of the Board of Trustees was held on Wednesday, September 3, 2025, at St. John Resort, Plymouth, MI

Trustees Present

Craig Storum, Chairman
Tim Greimel, City of Pontiac Mayor *(via Zoom)*
Matt Nye, Trustee
Daniel Clark, Interim Finance Director
Lon Britton, Trustee

Others Present

Matt Henzi, AsherKelly
Chris Kuhn, Mariner
Violet Gjorgjevski, BeneSys
Jennifer Crosby, BeneSys, Inc.
Danielle Winegardner, Nyhart
Karen Nasoni, Bonadio Group
Rachel Kavney, Bonadio Group

Chairman Storum declared that a quorum was present and called the meeting to order at 3:17 p.m.

AGENDA CHANGES -None

THE NYHART COMPANY – Danielle Winegardner

A. Actuarial Valuation Presentation

Ms. Winegardner reviewed the results of the Actuarial Valuation for December 31, 2024, and January 1, 2027, contribution calculation as well as reviewing the 20-year projections. She stated that the market value of assets returned 13.8% during 2024. Asset smoothing is in place to help limit volatility, return of 6.4% on a smoothed basis. The market value almost equals to the smoothed value for 2024. She went on to say that with a Smoothed Assets Basis the Funded Ratio of the plan remains steady from 90% to 89%, with unfunded liability of \$26M. If you use the Market Value of Assets Basis, the Funded Ratio increased from 84% to 89% with unfunded liability of \$26M. The plan is not in underfunded status for Michigan PA-202 reporting.

Discussion took place and the Board requested an experience study be conducted to show the effects of reducing the assumption rate. Nyhart will present its cost study at the December 2025 meeting and will calculate, for discussion purposes, an ARC based on a 6.90% assumed rate of return.

B. Actuarial Valuation December 31, 2024

C. GASB Nos. 67 & 68 Report

RESOLUTION 25-21 By Nye, Supported by Clark

Resolved, to accept and approve the Actuarial Valuation for December 31, 2024 as presented.

Yea – 4

Nay – 0

Mayor Greimel temporarily left the meeting.

THE BONADIO GROUP – Karen Nasoni & Rachel Kavney

A. Financial Statement December 31, 2024

Ms. Kavney addressed the Board to review the Financial Statement for December 31, 2024. The plans assets as of December 31, 2024, were \$207,649,165, liabilities were \$234,219. The Net Increase in Net Position, Restricted for Pensions, was \$8,544,231.

B. Audit Required Communication

C. Audit Deficiencies and Weaknesses

Ms. Kavney discussed with the Board, Mr. Kuhn and Ms. Gjorgjevski the areas that have deficiencies and weaknesses. A follow-up meeting will be scheduled to discuss these concerns further and develop solutions.

D. Management Letter for Signature

RESOLUTION 25-22 By Britton, Supported by Clark
Resolved, to accept, approve and execute the Management Letter for the Audit as of December 31, 2024 as presented.

Yea – 3 Nay – 0

Mayor Greimel and Trustee Nye temporarily left the meeting.

CONSENT AGENDA

A. Minutes of Regular Meeting – May 22, 2025

C. Financial Reports

1. Financial Reports – April - June 2025
2. Bills for Ratification through September 3, 2025
3. Pension Report
 - a. New Retirees
 1. Janczarek, Charles, PPOA, 08/14/2025
 2. Lopez, Claudio, PPOA, 07/02/2025
 3. Marougi, Joseph, PPOA, 8/29/2025
 4. McNeary, Che, PPOA, 7/2/2024
 - b. Upcoming Retirees
 3. Schlitt, Gregory, PPFU, 06/13/2025
 - c. Pay Status List – July 2025

RESOLUTION 25-23 By Britton, Supported by Clark
Resolved, that the Consent Agenda for September 3, 2025, be approved with amendments to the Pay Status list where some Widows are being reported as Retirees.

Yea – 3 Nay – 0

Mayor Greimel and Trustee Nye temporarily left the meeting.

CONSULTANTS

A. Mariner – Chris Kuhn

Mr. Kuhn updated the Board for 2nd Quarter 2025. The second quarter of 2025 was a period of pronounced market volatility followed by a remarkable recovery, showcasing investor resilience amidst significant policy shifts and geopolitical tensions. US equity markets, after an initial sharp decline triggered by new tariff announcements in early April, staged a robust rebound, with major indices closing at record highs. This recovery was largely fueled by the temporary suspension of tariffs, stronger-than-expected corporate earnings, and continued enthusiasm for artificial intelligence. The S&P 500 gained nearly 11% in the second quarter and small caps (Russell 2000) rose 8.5%. International equity markets continued their rally in Q2 2025, benefiting from a declining US dollar and outpacing U.S. equities (MSCI EAFE = 11.8%; MSCI EM = 12.0%). Bond markets also experienced fluctuations, but generally delivered positive returns, with shorter-term bonds outperforming (Bloomberg US Aggregate = 1.2%). The Federal Reserve maintained its "patient" stance on interest rates, navigating a complex environment of persistent inflation and moderating economic growth. Geopolitical events, while notable, had a surprisingly limited impact on overall market performance. The quarter underscored the importance of long-term investment principles and diversification in a dynamic global landscape.

The Total Fund gained 6.27% (preliminary return) during the quarter, performing in line with the Policy Index and ranking near the median plan in the Public Fund universe. Note: many of the private investments have not reported 2Q results in time for this report (approximately 10% of the Fund). The Total Fund returned 10.55% over the past year, performing in line with the Policy Index and ranking in the third quartile of the peer group. Longer-term, the Fund has exceeded the Policy Index and generally ranked in the top half of the public fund universe. Hood River rebounded from a difficult 1st quarter, outperforming the Russell 2000 Growth Index and ranking near the top of the small growth universe. The excess performance is partially attributed to strong stock selection within the Financials, Industrials, and Technology sectors. Hood River exceeds performance expectations after one year. ABS Emerging Markets exceeded their benchmark and ranked in the top third of their peer group. The manager benefited from exposure to small and mid-cap stocks and stock selection in the Technology sector. ABS trails performance expectations after 2 years. PIMCO was aided by an overweight to high yield securities, helping the manager outperform the Bloomberg Global Credit Index, however, the manager ranked poorly due to an underweight to foreign currencies. Longer-term, PIMCO exceeds performance expectations. 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 also informed the Board that Mariner has partnered with a firm known as Canoe Intelligence to help gather statements and documentation for privately held alternative investments within client portfolios. He would like the Board to approve allowing BeneSys to provide authorization to Canoe Intelligence should they need it.

RESOLUTION 25-24 By Nye, Supported by Clark

Resolved, to allow BeneSys to provide authorization to Canoe Intelligence to obtain statements and documentation for privately held alternative investments with the Funds portfolio.

Yea – 5

Nay – 0

Motion Carried

ATTORNEY'S REPORT

James Tate Benefit Reduction

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, legal counsel corresponded with the actuary to confirm that the alternate payee's benefit will be reduced when she begins receiving the benefit upon the member reaching age 55.

Blue Ocean Onshore Fund II, LP

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

2023 Summary Annual Report

Attorney Henzi addressed this matter for the Board in the Attorney Report. According to PA 314, the system is required to annually report certain information about the demographics (investment performance, number of persons in pay status, trustee expenses, and other administrative expenses, etc.) to the public. The 2023 SAR is complete. Legal counsel recommends that it is approved and published on the website.

RESOLUTION 25-25 By Nye, Supported by Britton

Resolved, to approve and publish on the Website, the 2023 Summary Annual Report as presented.

Yea – 5 Nay – 0

Motion Carried

PA 314 Disclosures

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

Draft Audited Financial Statements

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

McNeary v McNeary EDRO

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

Andre Siner Benefit Request

Attorney Henzi addressed this matter for the Board in the Attorney Report. This member sent the system correspondence requesting to be vested in a pension benefit. He was previously denied the same request in 2017 and 2021 because he withdrew his contributions and did not reposit those into the system. Mr. Siner claims that similarly situated individuals were not required to redeposit their contributions.

Comerica Benefit Account Closing

Attorney Henzi addressed this matter for the Board in the Attorney Report. Legal counsel worked with BeneSys to complete documents necessary to close the system's account with Comerica.

FOIA Responses

- With Intelligence
- Bloomberg

Portfolio Monitoring Report

- Bernstein Litowitz 1st QTR 2025
- Bernstein Litowitz 2nd QTR 2025
- Labaton Keller Sucharow 2nd QTR 2025
- Bleichmar Fonti & Auld 2nd QTR 2025

- Robbins Geller
 - May 30, 2025
 - June 27, 2025
 - July 27, 2025

The Board moved to closed session at 5:23 p.m.

RESOLUTION 25-26 By Britton; seconded by Nye

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

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

Motion Carried

The Board returned from closed session at 5:32 p.m.

RESOLUTION 25-27 By Britton, Supported by Nye

Resolved, to approve the Closed Session Meeting Minutes from February 27, 2025, as presented

Yea – 5 Nay – 0

Motion Carried

RESOLUTION 25-28 By Britton, Supported by Mayor Greimel

Resolved, to pay outstanding invoices to Gerber Law totaling \$2,904.25 and \$4,168.75.

Yea – 5 Nay – 0

Motion Carried

PUBLIC COMMENT – None

UNFINISHED BUSINESS

A. Gregory Schlitt Updated Benefit Calculation

Ms. Gjorgjevski reviewed the updated Benefit Calculation for Mr. Schlitt with the Board. Discussion took place. The board has some additional questions and concerns about the calculation. Ms. Gjorgjevski will reach out to the pension coordinator and report back.

B. Outstanding Check Policy

Ms. Crosby updated the Board that the Outstanding Check Policy guidelines have been set up with BeneSys Accounting and Pension as well as Fifth Third Bank.

C. Annual Vital Information Mailing

Ms. Crosby informed the Board that the First Letter for the Annual Vital Information mailing went out August 8, 2025, and she also emailed all members who had provided an email address. So far about 200 have been received back. The second letter will go in the mail on/around September 15, 2025.

Mayor Greimel left the meeting at 5:48 p.m.

NEW BUSINESS

A. BeneSys Response to Audit Accounting Deficiencies

BeneSys Accounting provided a response to the Board regarding the deficiencies listed in the Audit for December 31, 2024. Discussion took place and Mr. Henzi felt that the deficiencies listed for 2024 are essentially the same as were listed for 2023 so he would like to have a meeting with the BeneSys team and Bonadio to determine resolutions so that these deficiencies do not persist.

B. BeneSys Response to Audit IT Deficiencies

Ms. Gjorgjevski informed the Board that she has submitted the deficiencies to the IT Department but has not received a response.

C. BeneSys Response to Audit Pension Deficiencies

BeneSys Pension provided a response to the Board regarding the deficiencies listed in the Audit for December 31, 2024. The Board expressed great concern regarding the pension calculation that was found to be inaccurate, not to the fault of BeneSys because it was prior to BeneSys coming on as Third Party Administrator. Extensive discussion took place.

D. Anthony Turner Benefit Calculation Concern

Ms. Gjorgjevski reviewed the report to the Board provided by Ms. Cracraft, Pension Auditor with BeneSys. One of the deficiencies found by the Auditor was in relation to Anthony Turners original calculation. The original pension calculation included a 2% multiplier when it should have been 2.5%. Ms. Cracraft provided the corrected monthly benefit amount. This correction will evidence that Mr. Turner's benefit was underpaid.

RESOLUTION 25-29 By Nye, Supported by Britton

Resolved, to recalculate Mr. Turner's underpayment by reconciling BeneSys records with Bonadio's records and to present the proposed underpayment to the Trustees at the next meeting.

Yea – 4 Nay – 0

Motion Carried

Mayor Greimel joined the meeting at 5:55 p.m.

The Board expressed great concern regarding the pension calculation that was found to be inaccurate, not to the fault of BeneSys because it was prior to BeneSys coming on as Third Party Administrator. Extensive discussion took place.

RESOLUTION 25-30 By Britton, Supported by Nye

Resolved, to request BeneSys to provide a Statement of Work, with quoted cost, for a review of Fire Fighter pension estimates prepared from July 1, 2004, and December 31, 2012, with a minimum of 5% of new retirees randomly selected each year, to make sure the multiplier used is correct.

Yea – 5 Nay – 0

Motion Carried

RESOLUTION 25-31 By Britton, Supported by Nye

Resolved, to elect Craig Storum for another term as the fifth Trustee, with a term expiring July 31, 2028.

Yea – 4 Nay – 0 Abstain – 1 (Storum)

Motion Carried

Mayor Greimel left the meeting at 6:09 p.m.

E. Sample Annual Verification Notice for Benefits

Ms. Crosby presented to the Board a Sample Annual Verification Notice for Benefits that the Pension Department uses in lieu of the Vital Information Form. Mr. Henzi agreed to review it and make a recommendation at the next meeting.

CORRESPONDENCE

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

- A. BeneSys Navigator 2nd Quarter 2025**
- B. BeneSys Memo re Death Audit and Location Services**
- C. MAPERS '24 – '25 MI Case Update**
- D. MAPERS 2025 Fall Conference Agenda**

NEXT MEETING DATE: December 11, 2025, 10:00 a.m.

ADJOURNMENT

RESOLUTION 25-31 By Britton, supported by Nye

Further Resolved, that the meeting be adjourned at 6:18 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 September 3, 2025.

As recorded by BeneSys
4897-8193-9835, v. 1