

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
February 24, 2022**

A regular meeting of the Board of Trustees was held on Thursday, February 24, 2022 at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Trustees Present

Lon Britton, Vice-Chairman
Craig Storum, Chairman
Darin Carrington, Finance Director
Matt Nye
Tim Greimel, Mayor

Others Present

Matt Henzi, AsherKelly
Chris Kuhn, AndCo.
Duane Menter, BeneSys, Inc.
Violet Gjorgjevski, BeneSys, Inc.
Jim Robinson, Robinson Capital
Greg Prost, Robinson Capital

Chairman Storum declared that a quorum was present and called the meeting to order at 11:02 a.m.

CONSENT AGENDA

- A. Financial Reports
1. Financial Reports - October - November 2021

RESOLUTION 22-01 By Nye, Supported by Britton
Resolved, That the items on the Consent Agenda February 24, 2022 be approved.

CONSULTANTS

A. AndCo.

Christopher Kuhn Christopher Kuhn gave a Market Summary for the Fourth Quarter 2021. The Federal Reserve and COVID-19 continued to dominate the market narrative during the 4th quarter. The Federal Reserve revised its policy in an attempt to control inflation, targeting an earlier exit from its bond buying program and additional rate hikes in 2022 and 2023. Omicron, a more contagious but less severe variant of Covid-19, emerged in November and swept across the globe. The equity markets rebounded in October, sold off in November (Omicron influenced), and rebounded again in December (less severe variant). The S&P 500 provided the strongest results during the quarter, returning over 11%. Small caps (Russell 2000) and international developed markets (MSCI EAFE) generated positive but much weaker returns (2.1% and 2.37%, respectively). The emerging markets continued to struggle during the quarter and declined by 1.3%. For the year, the markets followed a similar pattern with the S&P 500 generating the strongest returns and EM suffering minor losses.

Inflation concerns and the Federal Reserve's policy shift impacted returns in the fixed income markets. The front end of the yield curve climbed during the quarter in anticipation of future rate hikes; the 2-year Treasury rose from 28 basis points to 73 basis points during

the quarter. The longer end of the curve was more stable with 10-year and 30-year nearly unchanged (have risen in 2022). The Barclays US Aggregate returned 1 basis point in the 4th quarter. Investment grade and high yield bonds fared slightly better. For the year, the Aggregate declined by 1.5% and only high yield posted positive returns (5.3%) in fixed income.

Mr. Kuhn made the following conclusions: The Total Fund returned 5.06% during the quarter, exceeding the Policy Index by 0.24% and ranking in the top quartile of the public fund universe. The Fund benefited from strong results from the domestic equity allocation. (Note: several of the alternative managers have not reported 4Q results – represents approximately 3% of the Total Fund’s assets.) The Total Fund posted a return of 16.42% over the past year, outperforming the Policy Index by 164 basis points and ranking in the top quartile of the peer group. Longer-term, the Fund has mixed results, generally ranking near the median fund in the universe and performing in line with the Policy Index. Loomis, Sayles outperformed for the second consecutive quarter but ranked below the median manager in their universe. The manager benefited from sector weightings and stock selection as the market rewarded higher quality stocks during the final three months of the year. Longer-term, Loomis Sayles has mixed results versus performance expectations. Garcia outperformed the Bloomberg Intm G/C Index and ranked near the top of the intermediate fixed income universe. The manager benefited from duration management during the quarter. Longer-term, the manager has mixed results versus performance expectations. At quarter end the Fund was overweight to domestic equity and underweight to alternatives; however, all allocations are within policy ranges. The following managers have not reported 4th quarter results in time for this report – Alidade, Bain, Courtland (M-Fire), Metropolitan, Monroe, and Neuberger Berman (Wells Fargo). The Fund was in compliance with all investment guidelines and MI Act 314 at quarter end. AndCo does not have any recommendations at this time.

Greg Prost and Jim Robinson from Robinson Capital gave a lengthy presentation to the Board on Special Purpose Acquisition Companies (SPACs). This would be classified as an equity under PA 314.

RESOLUTION 22-02 By Britton, Supported by Nye

Resolved, to transfer \$7MM from Garcia Hamilton and map the assets to Robinson Capital’s Special Purpose Acquisition Company Fund subject to AndCo’s due diligence and legal review.

ATTORNEY’S REPORT

December 7, 2021 Closed Session Minutes

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

RESOLUTION 22-03 By Nye, Supported by Carrington

Resolved, to approve the December 7, 2021 Closed Session Minutes.

Edward Lasseigne Request to Verify Service Credit

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

James Wilkins Request to Redeposit Withdrawn Contributions

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

Sennell Threlkeld Request for Additional Service Credit

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

PUBLIC COMMENT – None.

UNFINISHED BUSINESS

A. New Trustee Credit Cards

Ms. Gjorgjevski followed up and advised that the new credit cards are set up and ready to be activated.

NEW BUSINESS

A. Emergency Ordinance from City Council December 9, 2021 Meeting

BeneSys provided the Emergency Ordinance from City Council stating that the \$400 enhancement for all persons retired before August 22, 1996 and are receiving retirement benefits shall receive the \$400 allowance per month through June 30, 2022 or when the new VEBA starts providing health care to eligible retirees, whichever comes first. Since the health care benefits began on February 1, 2022, the Police & Fire persons retired before August 22, 1996 are no longer receiving the \$400 enhancement.

B. Plante Moran – End of Audit Letter, December 31, 2020

BeneSys provided the End of Audit Letter for December 31, 2020 from Plante Moran

C. Plante Moran – Financial Statement, December 31, 2020

BeneSys provided the Final Financial Statement for December 31, 2020 from Plante Moran.

CORRESPONDENCE- None

NEXT MEETING DATE: May 26, 2022, 10:00 a.m.

ADJOURNMENT

RESOLUTION 22-04 by Nye, Supported by Carrington
Further Resolved, That the meeting be adjourned at 12:00 p.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 24, 2022.

As recorded by BeneSys