

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
May 28, 2020**

A regular meeting of the Board of Trustees was held on Thursday, May 28, 2019 via Conference Call at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Trustees Present

Lon Britton
Craig Storum, Chairman
Matt Nye
Deirdre Waterman, Mayor

Others Present

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

Chairman Storum declared that a quorum was present and called the meeting to order at 11:35 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – February 27, 2020
- B. Minutes of Special Meeting – March 20, 2020
- C. Financial Reports
 - 1. Bills for Ratification through May 28, 2020
- D. Pension Report
 - 1. New Retirees
 - a. Braddock, Kevin, PPSA 05/01/2020
 - b. Collier, Anthony, PFFU 02/01/2020
 - c. Green, Dwight, PPOA 04/01/2020
 - 2. Upcoming Retirees:
 - a. Bell, Shedrick, PPOA 03/01/2020
 - b. Collis, Nancy, PPOA 04/01/2020
 - c. Mcallister, Darrin, PPOA 04/01/2020
 - d. Buchmann, Jeffrey, PPOA 08/01/2020
 - e. Farris, Matthew, PPSA 09/01/2020
 - f. Krupa, Matthew, PPSA 09/01/2020
 - g. Wood, Bryan, PPOA 10/01/2020
 - h. Mickens, Kathleen, PPOA 11/01/2020
 - i. Johnson, John, PPOA 11/01/2020
 - 3. New Beneficiaries
 - a. Booth, Peggy, PFFU 01/01/2020

RESOLUTION 20-07 By Storum, Supported by Nye

Resolved, That the items on the Consent Agenda for May 28, 2020, be approved, except for financials, which are to be included in August meeting packet.

Yeas: 3 - Nays: 0

CONSULTANTS

A. AndCo.

Christopher Kuhn of AndCo. provided a Market Update as of March 31, 2020. He discussed that a global pandemic circulated around the world during the quarter, wreaking havoc on economies and the capital markets. The S&P 500 peaked on February 20th before falling 33.8% to its low on March 23. For the quarter, the S&P 500 fell -19.60%. Mid cap stocks (-27.1%) and small cap stocks (-30.6%) were punished more severely as investors shunned the riskier segments of the markets. International markets also collapsed with the developed markets falling -22.8% (MSCI EAFE) and the emerging markets declining -23.6% (MSCI Emerging Markets). Treasuries provided a refuge during the equity market chaos, rising 8.2% as rates dropped. Corporate bonds traded in concert with the equity markets and generated negative returns, as Investment Grade Corporates fell -3.6% and High Yield fell -12.7%. The Federal Reserve responded swiftly to support the markets, using their GFC playbook and quickly deploying programs that took months to design back in 2008. The response has been enormous with five times more liquidity being deployed now than in 2008. Additionally, a unified political response resulted in a \$2 trillion stimulus package for US consumers and businesses. These actions seem to have stabilized market functions and allowed stocks to reverse some losses from earlier in the month. Much of the commentary around individual manager performance seeks to provide context, not consolation.

Mr. Kuhn continued and discussed the Asset/Manager Summary as of May 28, 2020.

Mr. Kuhn also gave a presentation regarding Distressed Debt.

RESOLUTION 20-08 By Britton, Supported by Nye

Resolved, to approve the strategy presented and recommended by Mr. Kuhn with allocation of no more than 4% of overall investment portfolio.

Yeas: 3 (Britton, Nye, Storum.)- Nays: 1 (Mayor Waterman)

RESOLUTION 20-09 By Britton, Supported by Storum

Resolved, to select Marathon Asset Management, L.P. as Private Debt Manager, at the recommendation of Andco..

Yeas: 4 - Nays: 0

B. Nyhart

1. GASB 67/68, December 31, 2019 – Draft

BeneSys presented the GASB 67/68, December 31, 2019 Draft from Nyhart to the Board. Further review of report was tabled until August 28, 2020 meeting when Nyhart will be present to go over report in detail.

RESOLUTION 20-10 By Nye, Supported by Britton

Resolved, to authorize the Board's actuarial firm to perform, for the City, a supplemental actuarial valuation report for December 31, 2019 in order to allow the \$400 supplement to be issued, at the request of the City.

Yeas: 4 - Nays: 0

REPORTS

- A. Chairman
- B. Secretary
- C. Trustees Committees
- D. Legal, Attorney's Report, AsherKelly, Matthew Henzi
- E. Members / Retirees

ATTORNEY'S REPORT

FOIA Requests and Responses FOIA from Financial News

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

Mickens Request for Benefit Recalculation

Attorney Henzi addressed this issue for the Board in the Attorney Report. Trustee Britton, legal, and Ann Schreier of Benesys came to final determination and this matter has been resolved.

Hawkins EDRO

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

RESOLUTION 20-11 By Britton, Supported by Nye

Resolved, That the Hawkins EDRO has been resolved and member will be paid the underpayment in a one-time payment. Further, that the alternate payee's overpayment shall be recovered as calculated by the actuary.

Yeas: 3 - Nays: 0

Wilton – Correspondence to City Requesting Records

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

Shedrick Bell EDRO

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

Bryan Flye EDRO

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

Bobby Cone Non-Service-Connected Death Annuity

Attorney Henzi addressed this issue for the Board in the Attorney Report. Need judgement of divorce or EDRO to make final determination for Barbara Ann which will be brought to next meeting.

Dwight Green Beneficiary Designation

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

Collier Beneficiary Designation

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

Robinson Capital Cash Management Contract

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

2020 Trustee Election

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

RESOLUTION 20-12 By Nye, Supported by Britton
Resolved, to affirm election of Trustee Lon Britton with term ending
May 31, 2023

Yeas: 3 - Nays: 0

RESOLUTION 20-13 By Nye, Supported by Britton
Resolved, to affirm election of Trustee Matt Nye with term ending May
31, 2023

Yeas: 3 - Nays: 0

Invoice to City for Annual Required Contribution

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

Fiduciary Liability Insurance Renewal

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

RESOLUTION 20-14 By Nye, Supported by Britton
Resolved, to renew Fiduciary Liability Insurance for both VEBA and
Retirement Services.

Yeas: 3 - Nays: 0

Alidade Capital Fund IV, LP 2nd Amendment to Limited Partnership Agreement

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

RESOLUTION 20-15 By Nye, Supported by Britton
Resolved, to approve the proposed contract amendment based on the
recommendation of legal counsel and consultant.

Yeas: 3 - Nays: 0

Plante Moran Audit Letters/Litigation

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

Political Contribution and Fee Disclosure Forms

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

Memorandum re: SECURE Act

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

Executive Order 2020-48 – Temporary Authorization of Remote Participation in Public Meetings and Hearings.

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

Portfolio Monitoring Report

Robbins Geller February 28, 2020

Robbins Geller March 27, 2020

Robbins Geller April 24, 2020

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

Bleichmarr Fonti & Auld, LLP Portfolio Monitoring Agreement

Attorney Henzi addressed this issue for the Board in the Attorney Report. Trustee Storum executed due to time constraint.

RESOLUTION 20-16 By Britton, Supported by Nye

Resolved, to ratify the Chairman's signature on documents, executed due to time being of the essence between meetings, to initiate a books and records demand suit in Delaware Chancery Court on the Boeing matter

Yeas: 3 - Nays: 0

UNFINISHED BUSINESS

A. Vital Information Mailer Results

BeneSys presented to the Board the results of the Vital Information Mailer sent out to all members in March 2020. Trustee Britton asked that Legal draft a Second Notice Letter and BeneSys do another mailer for the Second Request.

NEW BUSINESS

A. Notice of Trustee Election – Police – Lon Britton

Appears under Legal Report.

B. Notice of Trustee Election – Fire – Matt Nye

Appears under Legal Report

C. Revised Estimate Letter

BeneSys presented a Revised Benefit Estimate Letter to be sent to retirement applicants, for the Board's review.S

CORRESPONDENCE

NEXT MEETING DATE: August 27, 2020 at 10:00 a.m.

ADJOURNMENT

RESOLUTION 20-17 by Britton, Supported by Nye

Further Resolved, That the meeting be adjourned at 1:52 p.m.

Yeas: 3 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on May 28, 2020.

As recorded by BeneSys

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