

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
February 27, 2025**

A regular meeting of the Board of Trustees was held on Thursday, February 27, 2025, at the office of BeneSys, Troy, MI.

Trustees Present

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

Others Present

Matt Henzi, AsherKelly
Chris Kuhn, Mariner
Violet Gjorgjevski, BeneSys, Inc.
Jennifer Crosby, BeneSys, Inc

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

AGENDA CHANGES -None

CONSENT AGENDA

- A. Minutes of Regular Meeting – December 5, 2024
- C. Financial Reports
 - 1. Financial Reports – October - December 2024
 - 2. Bills for Ratification through February 27, 2025
 - 3. Pension Report
 - a. New Retirees
 - 1. Fanfalone, Matthew, PFFU, 01/19/2025
 - 2. Griffin, Jason, PFFU, 01/20/2025
 - 3. Odneal, Aisha, PPOA, 01/18/2025
 - 4. Teelander, Jason, PPOA, 01/13/2025
 - b. Upcoming Retirees
 - 1. Lasseigne, Edward, PPOA, 04/28/2021
 - c. Pay Status List – January 2025

RESOLUTION 25-01 By Nye, Supported by Mayor Greimel

Resolved, that the Consent Agenda for February 27, 2025, be approved with December 5, 2024, meeting minutes as amended to accurately reflect the Trustees present and that Resolution 24-30 be amended to reflect there were 4 yea votes, not 3 yea votes.

Yea – 4 Nay – 0

Motion Carried

CONSULTANTS

A. Mariner – Chris Kuhn

Mr. Kuhn reviewed the investment performance as of December 31, 2024. The fourth quarter of 2024 saw a mixed performance across global stock and bond markets. Rising global interest rates, driven by persistent inflationary pressures and concerns about the pace of economic growth, weighed heavily on bond markets (Bloomberg US Aggregate -3.06%). US equities continued their strong run, driven by

robust corporate earnings and optimism surrounding the new administration's policies; however, international markets experienced greater volatility. Within the US equity market, large-cap stocks outperformed their smaller-cap counterparts. The S&P 500 Index experienced a modest but positive return (2.41%), driven by strong performances from technology and consumer discretionary sectors. In contrast, the Russell 2000 Index, which tracks small-cap US equities, exhibited more subdued growth, facing challenges from rising interest rates and concerns about slowing economic growth (0.33%). International and emerging markets, particularly those heavily reliant on commodity exports, faced headwinds due to a slowdown in global demand particularly from China (MSCI EAFE -8.11%; MSCI EM -8.01%).

The Total Fund declined 0.21% (preliminary return) during the quarter, exceeding the Policy Index by over 1% and ranking in the top quartile of the Public Fund universe. The Fund benefited from strong results from the domestic equity and fixed income allocations. Note: many of the private investments have not reported 4Q results in time for this report (approximately 10% of the Fund). The Total Fund gained 11.07% over the past year, outperforming the Policy Index by 201 basis points and ranking in the top half of the peer group. Longer-term, the Fund has exceeded the Policy Index and ranked in the top half of the public fund universe. Hood River outperformed again this quarter, exceeding the Russell 2000 Growth Index and ranking in the top half of the small growth universe. The out performance is partially attributed to strong stock selection within the health care and energy sectors. Hood River exceeds performance expectations after two quarters. Garcia lagged the Bloomberg Intermediate US G/C Index and ranked near the bottom of the peer group this quarter. The under performance is partially attributed to the portfolio's longer duration. Longer-term, Garcia exceeds performance expectations. American Core and Strategic Value funds posted their second consecutive quarter of positive returns but ranked below the median strategy in the core real estate universe this quarter. Longer-term, the American funds exceed performance expectations. At quarter end the Fund was overweight large cap equities and underweight to core fixed income; the large cap allocation exceeds policy ranges and will be rebalanced with future cash flows. The Fund was in compliance with MI Act 314 at quarter end. Note: See the Asset/Manager Summary for additional comments and recommendations.

RESOLUTION 25-02 By Britton, Supported by Mayor Greimel

Resolved, to approve the recommended rebalance of transferring \$5MM from RhumbLine R1000 Value Fund to Baird Intm Fixed Income Fund to rebalance assets to the target allocation set forth in the Investment Policy Statement.

Yea – 4 Nay – 0

Motion Carried

Mr. Kuhn updated the Board that Marathon Asset Management settled their lawsuit with the SEC in December 2024. The SEC's order finds that Marathon Asset Management violated Sections 204A and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 thereunder. Without admitting or denying the SEC's findings, Marathon Asset Management consented to a \$1.5 million penalty, a cease-and-desist order, and a censure.

The Trustees requested that Mariner review the investment manager invoices for accuracy.

Mayor Greimel updated the Board that the City of Pontiac has contracted with Rehmann Group for accounting/finance services as they have not selected a new Finance Director.

ATTORNEY'S REPORT

Secure Act 2.0 Amendment

Attorney Henzi addressed this matter for the Board in the Attorney Report. The Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act") enacted December 20, 2019, has revised the required minimum distribution requirements of the Internal Revenue Code as they apply to governmental plans.

This change is mandatory. Retirement Plans must amend their plans to be in compliance with the Secure Act 2.0 by 2027. At the last meeting, the Trustees authorized recommending that the City adopt the proposed Ordinance Amendment. Legal counsel forwarded the amendment to City Council.

James Tate Benefit Reduction

Attorney Henzi addressed this matter for the Board in the Attorney Report. BeneSys determined that Mr. Tate had been overpaid \$147.09 per month in disability benefits for 13 months, plus \$221.21 on his 2023 COLA. The total overpayment was \$2,133.38. Of this amount, \$1,840.24 is owed by Mr. Tate and \$293.14 is owed by the alternative payee.

At the last meeting, the Board resolved to direct legal to offer Mr. Tate and his ex-spouse the opportunity to voluntarily pay back the overpayment on mutually agreeable terms. If they refused or did not respond, legal was directed to contact the actuary to calculate a benefit reduction on an actuarial basis for the life expectancy of each individual. Legal counsel sent the attached correspondence to the Participant and Alternate Payee as required by Ordinance. Upon receiving no response, legal forwarded the matter to the actuary who is calculating the benefit reduction.

Outstanding Check Policy

Attorney Henzi addressed this matter for the Board in the Attorney Report. At the last meeting, BeneSys reported that it discovered uncashed checks written by the System. The System's custodian bank does not automatically deem checks stale unless expressly stated on the check. The Board directed legal to draft an Outstanding Check Policy.

RESOLUTION 25-03 By Nye, Supported by Britton

Resolved, to approve the Outstanding Check Policy and direct BeneSys to print a disclosure on all checks that states "Void After 90 Days."

Yea – 4 Nay – 0

Motion Carried

Vital Information Policy

Attorney Henzi addressed this matter for the Board in the Attorney Report. At the last meeting, the Board directed legal to draft a policy for adoption at this meeting regarding the process of sending vital information mailers.

RESOLUTION 25-04 By Mayor Greimel, Supported by Britton

Resolved, to approve the Vital Information Policy as presented.

Yea – 4 Nay – 0

Motion Carried

FOIA Responses

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

PA 314 Disclosures for 2023

Attorney Henzi addressed this matter for the Board in the Attorney Report. We previously attached the following disclosures from American Realty, Mariner, Burgundy, Monroe Capital, Alidade Capital, Garcia Hamilton, Robinson Capital, Baird Capital, Yousif Capital Management, Pacific Investment Management (PIMCO), Nyhart, Bonadio, Apogem, BeneSys, and AsherKelly. The disclosures from RhumbLine and Bain Capital were provided. This matter can be closed.

Cybersecurity Questionnaire

Attorney Henzi addressed this matter for the Board in the Attorney Report. His office has received responses to the cybersecurity questionnaire from American Realty, Mariner, Burgundy, Monroe Capital, Alidade Capital, Garcia Hamilton, Robinson Capital, Baird Capital, Yousif Capital Management, Pacific Investment Management (PIMCO), Nyhart, Bonadio, Apogem, BeneSys, and AsherKelly previously. They have now received the responses to the cybersecurity questionnaire from RhumbLine and Bain Capital. Legal counsel drafted a follow-up cybersecurity questionnaire to go to vendors of the PFRS who have already responded to the initial questionnaire.

Mariner Agreement for Investment Performance Monitoring and Advisory Services

Attorney Henzi addressed this matter for the Board in the Attorney Report. At the last meeting, the Trustees authorized entering into a revised Agreement with Mariner for investment consultant services. Legal counsel negotiated terms with Mariner.

RESOLUTION 25-05 By Britton, Supported by Nye

Resolved, to, as recommended by Legal Counsel, approve the Mariner Agreement for Investment Performance Monitoring and Advisor Services and authorize Mayor Greimel to sign as a trustee.

Yea – 4 Nay – 0

Motion Carried

Bonadio Audit Engagement Letter

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

Hudson Edge-Trinity Streed Executed Side Letter

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, all necessary documents for this investment were executed

Owen O’Berry – QDRO Approved

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

Robert Koteles

Attorney Henzi addressed this matter for the Board in the Attorney Report. Counsel for the member inquired about eligibility for the buyout. Since the member resigned, he is not eligible.

2025 IRS Standard Mileage Rate

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

Portfolio Monitoring Report

Bleichmar Fonti & Auld 3rd QTR 2024 Litigation Summary

Motley Rice 4th Quarter 2024 Portfolio Monitoring Report

Robbins Geller

- November 29, 2024
- December 27, 2024
- January 31, 2025

The Board moved to closed session at 11:24 a.m.

RESOLUTION 25-06 By Nye; seconded by Storum

Resolved, to go into closed session to discuss pending litigation in the following matters: Immunovant, 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 |

Motion Carried

The Board returned from closed session at 11:31 a.m.

RESOLUTION 25-07 By Britton, Supported by Nye

Resolved, to approve the Closed Session Meeting Minutes from December 5, 2024, as presented

Yea – 4 Nay – 0

Motion Carried

RESOLUTION 25-08 By Britton, Supported by Mayor Greimel

Resolved, to ratify the actions of Trustee Nye and to approve execution of the Verification and Retainer Agreement re Immunovant, Inc. for the demand that was filed on February 4, 2024.

Yea – 4 Nay – 0

Motion Carried

RESOLUTION 25-09 By Mayor Greimel, Supported by Nye

Resolved, to, per recommendation, file a books and records action in the Delaware Court of Chancery in the R1-RCM matter to enforce the demand and authorize the Chairman to sign the provided placeholder complaint and verification.

Yea – 4 Nay – 0

Motion Carried

PUBLIC COMMENT – None

UNFINISHED BUSINESS

A. Jason Griffin Pension Benefit

At the last meeting, BeneSys Pension Coordinator, Shannon Cracraft, requested the Board's Assistance with determining Pension Benefit for upcoming retiree Jason Griffin. After extensive discussion at the meeting and an additional discussion with Trustee Nye at a separate time. Ms. Cracraft provided pension calculation for Mr. Griffin.

RESOLUTION 25-10 By Britton, Supported by Nye

Resolved, to accept and approve the pension calculation based on actual hours worked as provided by BeneSys.

Yea – 4 Nay – 0

Motion Carried

B. Outstanding Check Policy

This matter was discussed during the Legal Report.

C. McNeary Repayment Final Accounting

At the last meeting Ms. Gjorgjevski informed the Board that Ms. McNeary had completed her repayment obligation. The Board has asked for a final accounting. Ms. Crosby provided that today.

D. Trustee Laptops

Ms. Gjorgjevski brought the Trustee Laptops that are no longer being used to the meeting today for the Mayor to take with him. It was previously discussed that the Board was going to donate these to the City of Pontiac.

NEW BUSINESS

A. Matthew Fanfalone Pension Benefits

BeneSys Pension Coordinator, Shannon Cracraft, provided pension calculation for Mr. Fanfalone using the same process as was previously discussed with the Board and specifically with Trustee Nye.

RESOLUTION 25-11 By Britton, Supported by Nye

Resolved, to accept and approve the pension calculation based on actual hours worked as provided by BeneSys.

Yea – 4 Nay – 0

Motion Carried

B. BeneSys – Amendment to Agreement – Tax Form Fees

RESOLUTION 25-12 By Britton, Supported by Nye
Resolved, accept and approved the Amendment to Agreement with BeneSys in relation to tax form fees.

Yea – 4 Nay – 0

Motion Carried

C. 2025 Manager Roundtable Dates

Ms. Crosby requested that the Board confirm the dates that they wanted to have the Investment Manager roundtable this year. They confirmed September 3-5, 2025, and would like to utilize St. John Resort again if possible.

D. MAPERS Spring 2025 Conference Agenda

This was provided to the Board for information purposes.

E. Audit – December 31, 2024

Ms. Crosby informed the Board that she received notification from Bonadio that they will be beginning the Audit for December 31, 2024, and will be conducting their field work the week of May 5, 2025.

CORRESPONDENCE

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

- A. BeneSys DOL CyberSecurity Program Response 1st Quarter 2025**
- B. BeneSys DOL Guidance Allowing Escheatment of Missing Participants**
- C. Baird Statement**
- D. BGO Real Estate Market Reflections – February 2025**
- E. Marathon Asset Management – Distribution Notification**
- F. Foster & Foster – Repeal of Social Security’s Gov’t Pen. Offset Provisions**
- G. Garcia Hamilton Gazette – January 2025**
- H. Robbins Geller – Note from Darren Robbins**

NEXT MEETING DATE: May 22, 2025 at 10:00 a.m.

ADJOURNMENT

RESOLUTION 25-13 By Mayor Greimel, supported by Nye
Further Resolved, that the meeting be adjourned at 12:24 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 February 27, 2025.

As recorded by BeneSys