

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
May 22, 2025**

A regular meeting of the Board of Trustees was held on Thursday, May 22, 2025, at the office of BeneSys, Troy, MI.

Trustees Present

Tim Greimel, City of Pontiac Mayor
Matt Nye, Trustee
Daniel Clark, Interim Finance Director (via Zoom)

Others Present

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

Absent Trustees

Craig Storum
Lon Britton

Acting Chairman Nye declared that a quorum was present and called the meeting to order at 10:22 a.m.

AGENDA CHANGES -None

CONSENT AGENDA

- A. Minutes of Regular Meeting – February 27, 2025
- C. Financial Reports
 - 1. Financial Reports – January – March 2025
 - 2. Bills for Ratification through May 22, 2025
 - 3. Pension Report
 - a. New Retirees - None
 - b. Upcoming Retirees
 - 1. Janczarek, Charles, PPOA, 08/14/2025
 - 2. Lopez, Claudio, PPOA, 07/02/2025
 - 3. Schlitt, Gregory, PPFU, 06/13/2025
 - c. Pay Status List – April 2025

RESOLUTION 25-14 By Mayor Greimel, Supported by Clark
Resolved, that the Consent Agenda for May 22, 2025, be approved.

Yea – 3 Nay – 0

Motion Carried

CONSULTANTS

A. Mariner – Chris Kuhn

Mr. Kuhn reviewed the investment performance as of March 31, 2025. During the first quarter of 2025, global equity markets experienced a significant rotation in market leadership, with international equities and value stocks outperforming U.S. growth stocks. Several factors contributed to this shift, including concerns

about potential trade tariffs, evolving expectations for economic growth, and a reassessment of the artificial intelligence (AI) theme that had previously driven market gains. Volatility accompanied the shake-up in the markets. The S&P 500 declined by 4.3% and small cap stocks suffered even larger losses. The international equity markets, particularly Europe and China, showed strong positive returns (MSCI EAFE Index 6.9%). Fiscal initiatives in Europe and improved sentiment towards Chinese technology companies contributed to this out performance. The fixed income markets benefited from a "flight to safety" amid equity market volatility and expectations of potential future interest rate cuts; the Bloomberg US Aggregate gained 2.8%. Real estate also posted a positive return (NFI-ODCE 0.8% net). The diversifying benefits of fixed income and real estate helped mitigate losses from the equity markets.

The Total Fund declined 1.49% (preliminary return) during the quarter, trailing the Policy Index by over 1% and ranking near the bottom of the Public Fund universe. The Fund was hindered by weak results from the domestic equity and fixed income allocations. Note: many of the private investments have not reported 1Q results in time for this report (approximately 10% of the Fund). The Total Fund gained 4.26% over the past year, performing in line with the Policy Index and ranking in the bottom 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 underperformed the Russell 2000 Growth Index and ranked in the bottom decile of the small growth universe. The underperformance is partially attributed to poor stock selection within the Industrials, Energy, and Consumer Discretionary sectors. Hood River meets performance expectations after three quarters. Hudson Edge outperformed the MSCI AcWI ex US Index for a second consecutive quarter and ranked in the top quartile of their peer group. The manager benefited from strong stock selection in the Industrials and Materials sectors. Longer-term, Hudson Edge exceeds performance expectations. Garcia exceeded the Bloomberg Intermediate US G/C Index and ranked near the top of the peer group this quarter. The rebound in performance this quarter is partially attributed to the portfolio's longer duration. Longer-term, Garcia meets 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.

RESOLUTION 25-15 By Mayor Greimel, Supported by Clark

Resolved, to approve transferring \$2MM from RhumbLine R1000 Growth Fund to RhumbLine R1000 Value Fund to rebalance assets to the target allocation set forth in the Investment Policy Statement, at the recommendation of the Investment Consultant.

Yea – 3 Nay – 0

Motion Carried

Mr. Kuhn provided a Private Debt Search to the Board. He presented a candidate overview for four different firms who each offer a different strategy in the non-core, non-public debt space, and described the strategy focus of each. The overview included key strengths and points to consider. He informed the Board of who the key decision-makers are for each firm and the teams' stability. Discussion took place.

RESOLUTION 25-16 By Mayor Greimel, Supported by Clark

Resolved, to approve an investment of \$6MM with EnTrust Global Partners LLC, Blue Ocean Onshore Fund II LP , to be funded on a call basis from current equity investments and cash, at the recommendation of the Investment Consultant, pending contract review by Legal Counsel.

Yea – 3 Nay – 0

Motion Carried

ATTORNEY'S REPORT

Secure Act 2.0 Amendment

Attorney Henzi addressed this matter for the Board in the Attorney Report. Retirement Plans must amend their plans to be in compliance with the Secure Act 2.0 by 2027. The Trustees authorized recommending that the City adopt the proposed Ordinance Amendment. The Ordinance Amendment was adopted by City Council on March 18, 2025.

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.

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 calculated the benefit reduction. Mr. Tate's monthly benefit was reduced \$12.21. Ms. Tate's monthly benefit was reduced \$1.91.

RESOLUTION 25-17 By Clark, Supported by Mayor Greimel

Resolved, to approve the reduction of pension benefits for Mr. and Ms. Tate according to the actuary calculation provided.

Yea – 3 Nay – 0

Motion Carried

Charles Janczarek Eligibility for Retirement

Attorney Henzi addressed this matter for the Board in the Attorney Report. BeneSys contacted legal counsel with questions about the member's eligibility. The member is nearing retirement and will be sent an application. Legal counsel and BeneSys met to discuss the letter sent to deferred vesteds a few months before reaching age 50. Legal counsel was satisfied that the letter reserves verification of eligibility for the application process. The member is a deferred vested member with 8 years 4 months of credited service. He took advantage of the buyout offer in 2016 and redeposited his withdrawn contributions. BeneSys questioned whether he was eligible by way of the Reciprocal Retirement Act. In this case, he is vested in a benefit calculated at 8 years 4 months and the Reciprocal Retirement Act is not applicable.

Michigan's Reciprocal Retirement Act Memo for Administrator

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

Appeal Process

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

Fiduciary Liability Insurance Renewal

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

RESOLUTION 25-18 By Nye, Supported by Mayor Greimel
Resolved, to approve the renewal of Fiduciary Liability Policy as presented.

Yea – 3 Nay – 0

Motion Carried

Monroe Capital Notification of Strategic Partnership with Wendel Group

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

Payment of Annual Required Contributions

Attorney Henzi addressed this matter for the Board in the Attorney Report. On September 5, 2024, legal sent the City the attached invoice for the annual required contribution owed by the City of Pontic to the PFRS. The invoice obligated the City to pay \$2,672,104.00 on or before January 1, 2025. The City delivered payment on May 8, 2025, in the amount of \$2,672,104.00. The City's ARC due January 1, 2026, is \$2,997,551.00.

Vital Information Policy

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

RESOLUTION 25-19 By Nye, Supported by Mayor Greimel
Resolved, to approve revised Vital Information Policy as presented.

Yea – 3 Nay – 0

Motion Carried

FOIA Responses

- With Intelligence
- With Intelligence
- Bloomberg
- PEI

Bonadio Audit Legal Response Letter

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

Correspondence to Comerica Requesting Audit Records

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

Che McNeary – EDRO Approved

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

Portfolio Monitoring Report

Bleichmar Fonti & Auld 4th QTR 2024 Litigation Summary
Bleichmar Fonti & Auld 1st QTR 2025 Litigation Summary
Motley Rice 1st QTR 2025 Portfolio Monitoring Report

Robbins Geller

- February 28, 2025
- March 28, 2025
- April 25, 2025

PUBLIC COMMENT – None

UNFINISHED BUSINESS

A. Tate Overpayment

This matter was discussed during the Legal Report.

B. Audit – December 31, 2024

Ms. Crosby updated the Board on the status of the Audit. Field work is completed and Bonadio is working on having the audit completed for the September 3, 2025, meeting.

C. Matthew Fanfalone Pension Benefit

Mr. Nye stated that he has spoken to Mr. Fanfalone and informed him that, if he has additional information to provide BeneSys regarding his pension benefit calculation, the Board would be willing to review it. Nothing additional has been provided.

D. Outstanding Check Policy

Ms. Crosby informed the Board that the Outstanding Check Policy was provided to the BeneSys Accounting and Pension Department and IT will be updating the not valid after 90 days disclaimer on the checks as soon as possible.

NEW BUSINESS

A. Gregory Schlitt Pension Benefit

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

B. City of Pontiac ARC Payment

This matter was discussed during the Legal Report.

C. Segal Fiduciary Liability Police Renewal 2025-2026

This matter was discussed during the Legal Report.

D. 2025 Manager Round Table Update

Ms. Crosby informed the Board that September 3-5, 2025, has been booked at St. John Resort for the 2025 Manager Round Table. Meeting details were discussed. Mr. Kuhn stated invitations will go out to the Investment Managers in Mid-June.

CORRESPONDENCE

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

- A. BeneSys DOL CyberSecurity Program Response 2nd Quarter 2025
- B. BGO Leadership Announcement Investor Letter
- C. Monroe Capital – Wendel Close Press Release
- D. Segal Change Communications
- E. Yousif Capital – PSN Top Gun Award

NEXT MEETING DATE:

The Board canceled the Board Meeting scheduled for August 28, 2024 since the Manager Round Table occurs on September 3, 2025, through September 5, 2025.

ADJOURNMENT

RESOLUTION 25-20 By Nye, supported by Clark
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 May 22, 2025.

As recorded by BeneSys