

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
MEETING MINUTES  
September 14, 2022**

A regular meeting of the Board of Trustees was held on Wednesday, September 14, 2022, at Detroit Marriott-Livonia, Livonia, MI.

**Trustees Present**

Lon Britton, In-Person  
Matt Nye, In-Person  
Mayor Tim Greimel, In-Person  
Craig Storum, Chairman, (Hale, MI)

**Others Present**

Matt Henzi, AsherKelly  
Chris Kuhn, AndCo.  
Violet Gjorgjevski, BeneSys, Inc.  
Jennifer Crosby, BeneSys, Inc.  
Ruben Garcia  
Frances Finnegan  
Ed Lasseigne

Chairman Storum declared that a quorum was present and called the meeting to order at 3:38 p.m.

**AGENDA CHANGES**

**RESOLUTION 22-12** By Britton, Supported by Mayor Greimel

Resolved, to grant Chairman Storum a reasonable accommodation under the Americans with Disabilities Act and to approve his participation in the meeting via telephone because his disability prevents him from appearing in person.

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

**RESOLUTION 22-13** By Britton, Supported by Storum

Resolved, To amend the Agenda to discuss an appeal by Ruben Garcia regarding his beneficiary designation. Mr. Garcia was in attendance at the meeting.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

**Ruben Garcia – Beneficiary Assignment**

Mr. Garcia contacted BeneSys requesting to designate his adult son as his beneficiary under Option II of the Ordinance. Legal counsel discussed correspondence between BeneSys, legal counsel, and Mr. Garcia, which the Trustees reviewed. Mr. Garcia claims that his son suffers from autism and that he relies on Mr. Garcia for 50% or more of his support for living expenses. Mr. Garcia claims that, as such, his son has an insurable interest in Mr. Garcia's life and may be designated as a beneficiary.

**RESOLUTION 22-14** By Britton, Supported by Storum

Resolved, To approve Ruben Garcia's son, Jacob, as his designated beneficiary as the Board has determined the beneficiary has an insurable interest in the Participant's life.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

## CONSENT AGENDA

- A. Minutes of Regular Meeting – May 26, 2022
- B. Financial Reports
  - 1. Financial Reports – February and March 2022
  - 2. Bills for Ratification through September 14, 2022
- C. Pension Report
  - 1. New Retirees
    - a. Felts, Chester, PPOA, 05/15/2022
    - b. Hembree, Gary, PPOA, 08/19/2022
    - c. Myers, Datanyen, PPOA, 08/06/2022
    - d. Nye, Matthew, PPFU, 09/18/2022
  - 2. Upcoming Retirees
    - a. Todd, David, PPOS, 07/22/2022
    - b. Garcia, Ruben, PPOA, 09/04/2022
    - c. Contreras, Goretta, PPOA, 12/03/2020
    - d. Lasseigne, Edward, PPOA, 04/28/2021
    - e. Threlkeld, Sennel, PPOA, 10/06/2022
  - 3. Pay Status List – August 2022

### RESOLUTION 22-15 By Britton, Supported by Storum

Resolved, That the items on the Consent Agenda September 14, 2022, be approved contingent on review of the Pension Status List.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Craig Storum	Yea

## CONSULTANTS

### A. AndCo.

Mr. Kuhn updated the Board that Unfortunately, the 2nd quarter was very much like the 1st quarter, only worse. Inflation, and the Federal Reserve's aggressive rate hikes to combat rising prices, continued to dominate the headlines and impact the markets. The Fed raised the federal funds rate twice during the quarter (May and June) and additional rate hikes are expected; the Fed funds rate was increased by 125 basis points to a target range of 1.50% to 1.75%. In addition, economic growth has slowed; GDP was negative during Q1 2022, and fears of a recession have dramatically increased. Inflation, higher interest rates, and slowing growth are global issues impacting markets around the world. The US equity market declined about 16% during the quarter. Value and large cap stocks performed better than growth and small cap counterparts. The international equity markets fared slightly better (MSCI EAFE -14.5% and MSCI EM -11.5%). Fixed income also struggled with core bonds declining over 4.5% and high yield falling almost 10%. One bright spot in an otherwise

dismal quarter was real estate, which posted another strong quarter (over 4% for core real estate). The decline in stocks and bonds in 2022 has been painful but does improve the expected returns for both asset classes moving forward.

Overall, the Total Fund declined 9.04% during the quarter, exceeding the Policy Index by 1.11% and ranking in the top half of the public fund universe. The Fund was aided by strong results from the domestic equity and fixed income allocations. The Total Fund returned - 7.31% over the past year, outperforming the Policy Index by 215 basis points and ranking in the top quartile of the peer group. Longer-term, the Fund exceeds performance expectations.

## **ATTORNEY’S REPORT**

Attorney Henzi addressed the Setting Every Community Up for Retirement Enhancement Act of 2019 (the “Secure Act”) enacted December 20, 2019, with the Board as discussed in the Attorney Report. Attorney Henzi drafted a proposed amendment to the Ordinance so that it will comply with the Internal Revenue Code’s required minimum distribution requirements as they apply to governmental plans, so that the Plan is in compliance with the Secure Act. The Board reviewed the proposed amendment.

### **RESOLUTION 22-16** By Britton, Supported by Mayor Greimel

Resolved, To recommend that City Council adopt the Secure Act amendment as proposed and recommended by legal counsel. Further, that legal counsel will send the Secure Act amendment to the Ms. Kopacz for review. Upon her acceptance of the amendment language, legal counsel will seek to have the amendment placed before City Council for adoption.

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

### *Bonadio Audit Engagement Letter*

Attorney Henzi addressed this matter for the Board in the Attorney Report. At the May 26, 2022, meeting, the Trustees resolved to retain Bonadio & Company as the auditor for the PFRS and PF VEBA. Legal counsel met with the auditor and negotiated a contract, which was executed by both Chairmen. The auditor has been working with BeneSys to complete the 2021 audit. On August 25, 2022, the auditor met with Chairman Nye, legal, and BeneSys to discuss the 2021 audit.

### *Litigation Response Letters to Bonadio*

Attorney Henzi addressed this matter for the Board in the Attorney Report. Bonadio, in the furtherance of its auditing services, sent the annual request to legal counsel for any threatened or pending claims made against the PFRS and PF VEBA. Legal counsel sent the appropriate responses.

### *Memo regarding PA 492*

Attorney Henzi addressed this matter for the Board in the Attorney Report. At the last meeting, during the discussion of the financial report, Mayor Greimel inquired about the legal authority for compensating retired Trustees for attending meetings. Following the meeting, attorney Henzi sent correspondence to Mayor Greimel and all Board members setting forth the legal authority for such compensation. The compensation will stop once Trustee Nye goes into retiree status.

Political and Fee Disclosure Statements

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

AndCo Investment Consulting Services Agreement

Attorney Henzi addressed this matter for the Board in the Attorney Report. Since the last meeting, legal counsel discovered that the Investment Consulting Services Agreement entered by both Funds was with The Bogdahn Group. The Bogdahn Group underwent a name change and is now known as AndCo Consulting, LLC. After discussing the matter with the consultant, it was determined that AndCo Consulting, LLC is a new and distinct entity. As such, legal counsel and AndCo negotiated new Investment Consulting Services Agreements between each of the Funds and the correct consultant – entity. There are no substantive changes from the Bogdahn Contract.

**RESOLUTION 22-17** By Britton, Supported by Nye

Resolved, to approve and execute the Service Agreement with AndCo and to authorize Matt Nye to sign the contract on behalf of Chairman Storum.

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

Legislative Update

Attorney Henzi addressed these matters for the Board in the Attorney Report.

House Bill 5427

House Bill 6283

House Bill 6021

House Bill 5467

Senate Bill 705

Werner Domestic Relations Order

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

Burroughs Domestic Relations Order

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

Robinson Investment Management Agreement

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

FOIA Request Responses – Attorney Henzi addressed this matter for the Board in the Attorney Report.

**PUBLIC COMMENT** – None.

**UNFINISHED BUSINESS**

**A. Ed Lasseigne Refund Matter**

Mr. Lasseigne called into the meeting. Frances Finnegan, his attorney, also called into the meeting on behalf of Ed Lasseigne. Mr. Lasseigne’s retirement file evidences that Mr. Lasseigne’s accumulated contributions were paid to him in September 2006. Mr. Lasseigne executed documents requesting the withdrawal. A 1099 was issued evidencing he received the

contributions. As such, Mr. Lasseigne must repay his accumulated contributions, plus interest under terms mutually acceptable to himself and the Trustees if he wants to retire using service credit earned after he withdrew his contributions. If he chooses not to repay the withdrawn contributions, his benefit will be calculated using only service credit earned before September 2006. Mr. Lasseigne appealed to the Trustees arguing that he did not deposit a check representing withdrawal of his contributions in 2006. Ms. Finnegan was not able to present any further evidence showing that Mr. Lasseigne did not receive his contributions that were paid in September 2006. The Board discussed this matter at length.

**RESOLUTION 22-18** By Nye, Supported by Britton

Resolved, to deny the Appeal by Mr. Lasseigne based on the information provided. The Board will reconsider the appeal if additional information is presented that evidences that Mr. Lasseigne did not receive his accumulated contributions in 2006.

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Darin Carrington	Yea
	Craig Storum	Yea

**NEW BUSINESS**

**A. Evila Patton Appeal**

The surviving spouse of member Robert Patton appealed the denial of her request for any non-service connected death benefit as Mr. Patton's surviving spouse. Mr. Patton retired effective November 1998 and died February 8, 2022. The appellant produced a Marriage License evidencing that she married Mr. Patton on September 4, 1999. On September 21, 1998, Mr. Patton applied for retirement effective November 30, 1998. An attorney for the spouse sent correspondence indicating that the couple was married on September 5, 1997 in Columbia. The Administrator requested that the attorney produce a copy of the Marriage Certificate. There was no Marriage Certificate produced.

**RESOLUTION 22-19** By Britton, Supported by Nye

Resolved, to deny Appeal Evila Patton on the basis that she has not produced proof of being married to Mr. Patton before he retired. As a result, she is not entitled to a non-service connected death benefit under Section 12 of the Ordinance, which conditions receipt of the benefit on the spouse having been married to the member at least 1 year prior to the date of death or prior to the date of retirement, whichever occurs first.

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

**B. City of Pontiac ARC Payment July 2022**

**C. Computer iPad Policy**

**D. David Todd – Benefit Calculations**

Shannon Cracraft, Pension Coordinator with BeneSys, called in to Meeting to discuss the benefit calculations for Mr. Todd with the Board. Extensive discussion took place regarding

the most accurate way to complete Mr. Todd's benefit calculation due to missing information in his employment file. The information included in Mr. Todd's employment file was reviewed in detail. The Trustees directed Mr. Cracraft to review the last PPOA CBA in effect as of July 25, 2005. The Board further directed Ms. Cracraft to calculate Mr. Todd's final average compensation by using his hourly rate times 2080 hours, annually, in order to calculate the benefit.

**RESOLUTION 22-20** By Storum, Supported by Britton

Resolved, in light of the fact that minimal payroll records exist in David Todd's retirement file, the Trustees gave instruction to BeneSys on how to calculate his final average compensation in order to calculate his retirement benefit. BeneSys is directed to submit the final calculation to the Board for review at the next Trustee meeting.

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

**E. Payment from GERS – FOIA Request**

BeneSys provided a copy of the check received for payment of the GERS FOIA Request in the amount of \$60.00.

**G. Darin Carrington – 2021 Manager Roundtable Expense Reimbursement**

BeneSys provided an Expense Reimbursement from prior Board Trustees and City of Pontiac Finance Director from the 2021 Manager Roundtable in the amount of \$351.40 for hotel expenses. The Board determined there is no statute of limitation on submitting reimbursement requests and approved for BeneSys to process the reimbursement.

**H. Northern Trust – Updating Authorized Signers**

**RESOLUTION 22-21** By Britton, Supported by Nye

Resolved, To authorize Craig Storum to sign a form identifying Violet Gjorgjevski, Chuck Wytrychowski, and Darris Garoufalis as signers for the PFRS. (Is there any other detail to add)

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

**I. Craig Storum Election**

**RESOLUTION 22-22** By Britton, Supported by Nye

Resolved, To approve the election of Craig Storum as the fifth Trustee of the PFRS for a term ending July 31, 2025

Roll Call Vote:	Lon Britton	Yea
	Matt Nye	Yea
	Mayor Greimel	Yea

## CORRESPONDENCE

### A. AsherKelly Fee Proposal

Attorney Henzi advised that the fees have been relatively unchanged since 2001. Attorney Henzi proposed a fee increase for legal services rendered. There was significant discussion by the Trustees about the fee proposal.

**RESOLUTION 22-23** By Britton, Supported by Mayor Greimel

Resolved, to approve the AsherKelly fee proposal and to set the following hourly rates for legal services rendered by AsherKelly, as follows:

Effective 1/1/23	Attorneys \$200 / Paralegals \$100
Effective 1/1/24	Attorneys \$215 / Paralegals \$115
Effective 1/1/25	Attorneys \$225 / Paralegals \$125

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

The following correspondence was submitted in advance and reviewed the by the Trustees:

### B. BeneSys DOL Cybersecurity Program Response Q3 2022

### C. Exela Ransomware June 2022

### D. Burgundy EAFE Fund Fee-Related Changes

### E. Labaton Sucharow Firm Information

### F. BeneSys Pension Procedures to Maintain Accurate Census

**NEXT MEETING DATE:** December 1, 2022

## ADJOURNMENT

**RESOLUTION 22-24** by Nye, Supported by Greimel

Further Resolved, That the meeting be adjourned at 5:47 p.m.

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

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on September 14, 2022.

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*As recorded by BeneSys*