

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES
September 11, 2024**

A regular meeting of the Board of Trustees was held on Thursday, September 11, 2024, at St. John's Resort, Plymouth, MI.

Trustees Present

Craig Storum, Chairman
Lon Britton Vice-Chairman
Matt Nye, Trustee
Tim Greimel, City of Pontiac Mayor

Others Present

Lyndsey Bates, 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 2:19 p.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – August 22, 2024
- B. Financial Reports
 - 1. Financial Reports – July 2024
 - 2. Bills for Ratification through September 11, 2024
 - 3. Pension Report
 - a. New Retirees
 - b. Upcoming Retirees
 - 1. Garrett, Gilbert, PPOA, 10/16/2024
 - 2. Lasseigne, Edward, PPOA, 04/28/2021
 - c. Pay Status List – August 2024

RESOLUTION 24-28 By Nye, Supported by Britton
Resolved, that the Consent Agenda for September 11, 2024, be approved.

Yea – 4 Nay – 0

Motion Passed

CONSULTANTS

C. Mariner

a. Investment Performance Review Period Ending June 30, 2024

Mr. Kuhn updated the Board that the US economy continued to expand during the 2nd quarter despite approaching two years with an inverted yield curve. However, signs of a weakening consumer are emerging – rising levels of debt, increasing delinquencies, and declining consumer sentiment. The Federal Reserve appears to be slowly winning their battle against inflation with the higher for longer approach. Expectations for interest rate cuts were reduced and delayed for a second time this year in April, driving interest rates higher and leading to a selloff in stocks and bonds. Rates drifted lower in the final two months of the quarter and the markets recovered some of the losses. The S&P 500 rose 4.3% in the 2nd quarter, led by large cap growth equities. Small and mid-cap stocks declined in April and June, ending the quarter in negative territory

(Russell Mid Cap = -3.4%; Russell 2000 = -3.3%). International stocks struggled during the quarter, due in part to political uncertainty (MSCI EAFE = -0.4%); the emerging markets fared much better (MSCI EM = 5.0%). Fixed income was flat for the quarter as late gains offset early losses (Bloomberg US Aggregate = 0.1%). High yield was again a top performer in fixed income (Bloomberg US High Yield = 1.1%). Real estate appears to be improving – lower rates should generate more transactions and better visibility to values.

The Total Fund returned 0.35% (preliminary return) during the quarter, outperforming the Policy Index by 0.30% but ranking in the bottom half of the Public Fund universe. Note: many of the private investments have not reported 2Q results in time for this report (approximately 10% of the Fund). The Total Fund gained 10.10% over the past year, exceeding the Policy Index by 89 basis points and just below the median plan in the peer group. Longer-term, the Fund has generally ranked in the top half of the public fund universe and outperformed the Policy Index. Hood River small cap growth and Seizert small cap value were funded during the quarter with approximately \$8MM; the Fidelity Small Cap Index Fund was liquidated to fund the new strategies. Garcia lagged their benchmark and ranked near the bottom of the intermediate fixed income universe. The manager was hindered from a longer duration, as interest rates rose during the quarter. Longer-term, Garcia exceeds performance expectations. American Realty suffered small losses this quarter and performed near the median manager in the peer group. The real estate market appears to be stabilizing after multiple quarters of losses. Longer-term, American exceeds 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.

b. Market Update August 31, 2024

ATTORNEY’S REPORT

Invoice to City for ARC Due January 1, 2025

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

Experience Study

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

PA 202 Requirement for Actuary Audit

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

Kenneth Eggert Overpayment

Attorney Bates addressed this matter for the Board in the Attorney Report. Since the last meeting, Chairman Nye asked legal counsel for an analysis of whether a surviving spouse of a deferred vested PFRS member, who dies before retirement, would be entitled to retiree health care or a pension benefit.

In summary, the spouse of any deferred vested member of the PFRS who had 10 years of credited service when he/she withdrew from service will be eligible for a surviving spouse pension benefit. The spouse of the deferred vested PFRS member who had 10 years of credited service as of December 22, 2011, will be eligible for retiree health care.

Krupa EDRO

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

James Tate Service Connective Disability Retirement

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

RESOLUTION 24-29 By Mayor Greimel, Supported by Nye
Resolved, that BeneSys calculates the actual amount overpaid and then set up the reimbursement from the retiree equally over 24 months.

Yea – 2 Nay – 2 (Britton and Storum)

Motion Failed

RESOLUTION 24-30 By Britton, Supported by Mayor Greimel
Resolved, that BeneSys to correct pension from September 2024 and forward at the 66 2/3% rate and then allow Legal Counsel and BeneSys to gather information and report back to the Board the accurate calculation for potential overpayment. Have a special meeting October 2024 to discuss and finalize.

Yea – 4 Nay – 0

Motion Passed

Public Employee Retirement Benefits Forfeiture Act
Attorney Bates addressed this matter for the Board in the Attorney Report.

The Board moved to closed session at 4:21 p.m.

RESOLUTION 24-31 By Nye, Supported by Britton
Resolved, to go into closed session to discuss pending litigation in the matters of ZoomInfo Technologies, Inc., Southwest Airlines Co. Litigation.

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

The Board returned from closed session at 4:34 p.m.

RESOLUTION 24-32 By Britton, Supported by Nye
Resolved, to approve the Closed Session Meeting Minutes from August 22, 2024, at presented.

Yea – 4 Nay – 0

Motion Passed

RESOLUTION 24-33 By Britton, Supported by Nye
Resolved, to ratify the Chairman’s action regarding ZoomInfo Technologies, Inc.

Yea – 4 Nay – 0

Motion Passed

PUBLIC COMMENT – None.

UNFINISHED BUSINESS

A. Empyrean Termination Fee

Ms. Crosby explained that Empyrean returned the City of Pontiac PF VEBA payment made for the termination fee because the City paid the fee.

NEW BUSINESS

A. Metropolitan Authorized Signers Update

Ms. Crosby requested signatures to update the authorized signers list for Metropolitan Real Estate.

B. James Tate Pension Overpayment

This item was discussed during the Legal Report.

C. Members Changing Direct Deposit Information Issues/Process

Ms. Crosby discussed concern about members just calling in to stop/change direct deposit information due to potential fraud. Current situation of a member who called and said daughter was taking her money, but turned-out daughter has POA. There could be a risk of elder abuse. The Board stated to report back with best practice recommendation at the next meeting.

CORRESPONDENCE

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

A. BeneSys Navigator Q3 2024

NEXT MEETING DATE: December 5, 2024, 10:00 a.m.

ADJOURNMENT

RESOLUTION 24-34 By Mayor Greimel, supported by Britton
Further Resolved, that the meeting be adjourned at 6:10 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 September 11, 2024.

As recorded by BeneSys