

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
APRIL 25, 2013**

A regular meeting of the Board of Trustees was held on Thursday, April 25, 2013, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan. The meeting was called to order at 9:57 a.m.

**Trustees Present**

Lon Britton, Vice Chairman  
Leon Jukowski, Mayor,  
John Naglick, Secretary  
Craig Storum

**Others Present**

Chris Kuhn, Gray & Company  
Larry Gray, Gray & Company  
Matthew Henzi, Sullivan, Ward, Asher & Patton  
Chuck Wytrychowski, BeneSys, Inc.  
Darris Garoufalis, BeneSys, Inc., *excused*  
Liz Edwards, BeneSys, Inc.  
Walter Moore, Retiree

**Trustees Absent**

Matthew Nye, Chairman, *excused*

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*The meeting was called to order at 9:57 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – March 28, 2013
- B. Communications
  - 1. Class Action Settlement, Gildan Activewear Securities, Claim Number: GILDAN-101522-2, April 5, 2013, \$1,053.85
  - 2. Rehmann Invoice #CIS13043 dated March 28, 2013, \$56.25, IT Forensics – Hawkins Matter
  - 3. Letter to All Retirees dated April 9, 2013, discussing Michigan’s Public Pension Tax, mailed April 12
- C. Financial Reports
  - 1. Financial Reports – February 28, 2013
  - 2. Bills for Ratification as of March 31, 2013
- D. Remove from Rolls as of March 31, 2013
  - 1. Merton Kesselring, (deceased 03-28-2013), spouse Trinidad is beneficiary and annuitant
- E. Final Benefit Calculations - None

**RESOLUTION 13-017** By Britton, Supported by Naglick  
Resolved, That the Consent Agenda for April 25, 2013, be approved.

Yeas: 4 - Nays: 0

#### **CONSULTANTS**

- A. Gray & Company
  - a. Flash Performance – March 31, 2013
  - b. Asset Summary – April 18, 2013

#### **Re: Gray & Company – Performance Review**

Mr. Kuhn reviewed the first quarter performance for 2013, for the month ending March 31, 2013, and for the month through April 18, 2013. He noted that the equity funds are mostly doing well, the international funds not as well. Garcia Hamilton and Franklin Templeton are both performing very well.

Mr. Kuhn stated that \$2,500,000 has been transferred in the Fund in the past week. He suggests transferring \$3,000,000 from value to cash funds.

**RESOLUTION 13-018** By Naglick, Supported by Jukowski  
Resolved, That the Fund transfer \$3,000,000 of assets from value funds to cash funds.

Yeas: 4 - Nays: 0

#### **REPORTS**

- A. Chairman
- B. Secretary
- C. Trustees Committees
- D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

**Legal:** Attorney Henzi discussed changes to Public Act 314 and the letters sent to retirees. He will work with BeneSys in preparing the Summary Annual Report which needs to be distributed to all participants.

Attorney Henzi will review the Ethics Policy and present his recommendations at the May Board of Trustees meeting.

Attorney Henzi will ask Gabriel Roeder for a refund of fees with respect to its pension calculation program that is no longer being used. There was discussion with respect to the current actuary, Rodwan Consulting Company, providing factors on an ongoing basis.

**RESOLUTION 13-019** By Naglick, Supported by Jukowski  
Resolved, That the current actuary, Rodwan Consulting Company, provide BeneSys with actuarial factors and expenses on an ongoing basis.

Yeas: 4 - Nays: 0

Police & Fire Regular Meeting  
April 25, 2013

**RESOLUTION 13-020** By Naglick, Supported by Jukowski  
Resolved, That the Board move to closed session to discuss pending litigation at 10:40 a.m.

Yeas: 4 - Nays: 0

*The Board moved to closed session at 10:40 a.m.*  
*Mr. Kuhn and Mr. Moore left at 10:40 a.m.*  
*The Board returned from closed session at 11:18 a.m.*

**RESOLUTION 13-021** By Naglick, Supported by Jukowski  
Resolved, That the Board authorize legal counsel to respond to a settlement demand made by Jeffrey Hawkins, as discussed in closed session.

Yeas: 4 - Nays: 0

**RESOLUTION 13-022** By Naglick, Supported by Jukowski  
Resolved, That the Board authorize settlement for the class of non-ERISA plaintiffs in the minimum amount as discussed in closed session; that authority is delegated to legal counsel to participate in a court-ordered mediation, as discussed in closed session; and, that the Chairman is authorized to finalize any paperwork arising out of the mediation before the next meeting, if necessary.

Yeas: 4 - Nays: 0

#### **UNFINISHED BUSINESS**

There was discussion with respect to Mr. Ford and Mr. Stefani and final payouts of retro pay which may affect the final pension calculations. They currently are in pay status and the payroll department can find nothing to support that they are owed additional payout amounts. Trustee Naglick will talk with them to see if and why they think they are owed additional amounts.

Deborah Munson states the City owes the System \$11,000 for items withheld. Mr. Wytrychowski will review this and present at the next Board meeting.

**RESOLUTION 13-023** By Naglick, Supported by Jukowski  
Resolved, That the Board move to closed session at 11:28 a.m.

Yeas: 4 - Nays: 0

*The Board moved to closed session at 11:28 a.m.*  
*The Board returned from closed session at 11:42 a.m.*

**RESOLUTION 13-024** By Naglick, Supported by Jukowski  
Resolved, That the Board authorize Attorney Henzi to take action on the issue in question, as discussed in closed session.

Yeas: 4 - Nays: 0

**NEW BUSINESS**

The Plante & Moran New Business Engagement Letter was presented and accepted.

**RESOLUTION 13-025** By Naglick, Supported by Jukowski  
Resolved, That the Plante & Moran New Business Engagement Letter be duly signed.

Yeas: 4 - Nays: 0

There was discussion with respect to the upcoming International Foundation of Employee Benefit Plans Conference to be held October 20 through October 23 in Las Vegas, Nevada. Trustee Storum indicated he would like to attend.

**RESOLUTION 13-026** By Naglick, Supported by Jukowski  
Resolved, That Trustee Storum attend the upcoming International Foundation of Employee Benefit Plans Conference October 20 through October 23 in Las Vegas, Nevada.

Yeas: 4 - Nays: 0

There was discussion with respect to the upcoming MAPERS conference to be held June 2 to June 4 in Bellaire, Michigan. Trustees Storum, Britton, and Naglick will attend.

There was further discussion with respect to the Investment Manager Roundtable presentation to be held in Bellaire on June 5. Mr. Kuhn will contact the investment managers with presentation times and issues to be addressed during the presentations.

**SCHEDULING OF NEXT MEETING**

Regular Meeting – Thursday, May 30, 2013 – BeneSys Inc., 700 Tower Dr., Suite 300, Troy, MI 48098 at 10:00 a.m. (Tentative)

**ADJOURNMENT**

**RESOLUTION 13-027** By Naglick, Supported by Jukowski  
Resolved, That the meeting be adjourned at 11:45 a.m.

Yeas: 4 – 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 April 25, 2013.



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John Naglick, Secretary  
*As recorded by BeneSys*