

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
April 27, 2017**

A regular meeting of the Board of Trustees was held on Thursday, April 27, 2017, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Craig Storum, Chairman  
Lon Britton, Vice-Chairman (via phone)  
Nevrus Nazarko, Secretary  
Deirdre Waterman, Mayor  
Matt Nye

Matt Henzi, Sullivan, Ward, Asher & Patton  
Chris Kuhn, AndCo.  
Duane Menter, BeneSys, Inc.  
Violet Gjorgjevski, BeneSys, Inc.

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*Chairman Storum declared that a quorum was present and called the meeting to order at 11:45 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – March 30, 2017
- B. Financial Reports
  - 1. Financial Reports – February 2017
  - 2. Bills for Ratification as of April 2017
- C. Remove from Rolls:
  - 1. Corbett, Marlene (Ronnie Corbett) DOD 04-05-2017
- D. Final Benefit Calculations:
- E. Upcoming Retirees:
  - 1. Mistretta, Peter, PPOA, 06-01-2017, In Progress
  - 2. Troy, Stevens, PPSA, 09-01-2017, In Progress
  - 3. Kendrick, Jody, PPOA, 10-01-2017, In progress

**RESOLUTION 17-17** By Mayor Waterman, Supported by Nazarko  
Resolved, That the items on the Consent Agenda for April 27, 2017, be approved.

Yeas: 5 - Nays: 0

**CONSULTANTS**

A. AndCo.

Christopher Kuhn of AndCo. reviewed the Fund's Asset/Manager Summary as of April 25, 2017. Mr. Kuhn advised that a transfer of \$3 million from Rhumblin to Burgundy will occur on or before May 1, 2017. Mr. Kuhn discussed the updated market values and confirmed that all Munder assets will be transferred to LSIA by the end of April 2017. Munder has been notified of the required transfer. Mr. Kuhn continued by discussing the Capital Market Overview report.

Mr. Kuhn presented an overview of the capital markets. The presentation reviewed the global markets, including economic growth forecast, fixed income and equity markets metrics, and alternative investment strategies. The report also highlights the Board's accomplishments. He recommended the Board consider (1) increasing the value added real estate allocation; (2) maintain asset allocations near target weights with slight overweight to equities; and (3) review other alternative investments for new allocations.

Mr. Kuhn advised he would perform a value added real estate search at a subsequent meeting.

## REPORTS

### A. Chairman

Chairman Storum discussed the Manager meeting that is scheduled for July 27<sup>th</sup> – 28<sup>th</sup>. Ms. Gjorgjevski has contacted the Inn at St. Johns to schedule the meeting and is working on finalizing the details.

### B. Secretary

Secretary Nazarko discussed the \$400 for members, have payments been going out? Mr. Menter confirmed that the payments have been going out and will continue until further notified.

### C. Trustees Committees

Trustee Nazarko commented on the budget from the actuarial report, is there a deadline? Trustee Nazarko would like the ARC numbers prior to the next meeting from Nyhart.

### D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

## ATTORNEY'S REPORT

### Attorney Report – General Matters:

#### Wood vs. Wood EDRO – Exhibit A

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

#### Bloomfield Capital Income Fund II, LLC's Tax Documents

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

#### Bloomfield Capital Income Fund III, LLC's Documents

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

#### LS Investment Advisors, LLC Mid-Cap Account Contract – Exhibit B

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

FOIA Request – Exhibit C

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

Reconciliation of Membership Data – Exhibit D

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

Patricia McNeary Overpayment

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

Fiduciary Liability Insurance Renewal

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

Calculation of Interest/Preparation of Invoice for Pension ARC – Exhibit E

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

Dispute of IRS Penalty Increase – Exhibit F

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

Application for IRS Letter of Determination – PFRS

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

Proposed Michigan Legislation - Items of Interest

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

Robbins Geller March 21, 2017 Monitoring Report – Exhibit G

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

NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems – Exhibit H

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

*The Board moved to closed session at 12:42 p.m.*

*The Board returned from closed session at 12:55 p.m.*

**RESOLUTION 17-18** *By Nye, Supported by Nazarko  
Resolved, to approve the Board move to a closed session.*

*Yeas: 5 – Nays: 0*

**RESOLUTION 17-19** *By Nye, Supported by Nazarko  
Resolved, to approve the closed session minutes from March 30, 2017.*

*Yeas: 5 – Nays: 0*

**UNFINISHED BUSINESS**

**A. 2017-2018 Fiduciary Liability Policy**

Police & Fire Pension Minutes  
April 27, 2017

Requested changes have been made to the report.

**RESOLUTION 17-20** By Nye, Supported by Mayor Waterman  
Resolved, to approve and accept the 2017-2018 Fiduciary Liability Policy as presented.

Yeas: 5 - Nays: 0

## **NEW BUSINESS**

## **CORRESPONDENCE**

### A. Prompt Letters

Email communication was presented which was sent to the BeneSys pension representative authorizing a “Prompt Letter” be sent to members in advance of their 50<sup>th</sup> birthday to alert them to apply for a benefit.

### B. Munder Ending March 2017 Report

Munders quarter ending March 2017 report was presented for informational purposes.

**NEXT MEETING DATE:** May 25, 2017

## **ADJOURNMENT**

It was proposed by Trustee Britton and supported by Trustee Nazarko that the meeting be adjourned at 1:00 p.m.

**RESOLUTION 17-21** by Mayor Waterman, Supported by Nazarko  
Further Resolved, That the meeting be adjourned at 1:00 p.m.

Yeas: 5 – 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 27, 2017.

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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*