

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
June 1, 2017**

A regular meeting of the Board of Trustees was held on Thursday, June 1, 2017, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

**Trustees Present**

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

**Others Present**

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

**Trustees Absent**

Deirdre Waterman, Mayor

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*Chairman Storum declared that a quorum was present and called the meeting to order at 10:01 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – April 27, 2017
- B. Financial Reports
  - 1. Financial Reports – March 2017
  - 2. Bills for Ratification as of May 2017
- C. Remove from Rolls:
  - 1. Manley, Edwin DOD 05-22-2017
  - 2. Solwold, Raymond DOD 05-07-2017
- D. Final Benefit Calculations:
  - 1. Mistretta, Peter, PPOA, 06-01-2017
- E. Upcoming Retirees:
  - 1. Troy, Stevens, PPSA, 09-01-2017, Estimate Sent 5/23/17
  - 2. Kendrick, Jody, PPOA, 10-01-2017, In progress

**RESOLUTION 17-22** By Nye, Supported by Nazarko  
Resolved, That the items on the Consent Agenda for June 01, 2017, be approved.

Yeas: 4 - Nays: 0

## CONSULTANTS

### A. AndCo.

Christopher Kuhn of AndCo. reviewed the Fund's Asset/Manager Summary as of May 23, 2017. Mr. Kuhn advised that a transfer of \$3 million from Rhumblin to Burgundy occurred in May 2017.

Mr. Kuhn then reviewed the updated Investment Policy Statement. He stated that the Total fund compliance is hitting all targets at this time. He continued to say that this was a good quarter and that the performance is ahead and very competitive.

An Open-End, non-Core Real Estate Manager Analysis and a Value-add and Opportunistic Real Estate Manager Analysis was presented by Mr. Kuhn. The purpose of the reports was to review potential candidates for a \$5 Million allocation to open-end, non-core real estate strategies and value-add and/or opportunistic real estate strategies. Based on research, due diligence and evaluation, AndCo. feels that Alidade Capital and American fit with the existing portfolio.

### **RESOLUTION 17-23** By Britton, Supported by Nye

Resolved, That the Trustees approve a \$2.5 Million investment with American Realty Advisors-American Strategy Value Realty Fund and a \$2.5 Million investment with Alidade Capital, both upon the recommendation of the investment consultant, and both subject to review by legal counsel.

## REPORTS

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

## ATTORNEY'S REPORT

### **Attorney Report – General Matters:**

#### Fiduciary Liability Insurance Renewal

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

#### Dispute of IRS Penalty Increase

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

#### Matthew Wells - Request to Assign Benefit – Exhibit B

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. 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 April 28, 2017 Monitoring Report - Exhibit C

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

MotleyRice First Quarter 2017 Portfolio Monitoring Report – Exhibit D

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

*The Board moved to closed session at 11:00 a.m.*

**RESOLUTION 17-24** *By Nazarko, Supported by Britton  
Resolved, to approve the Board move to a closed session.*

*Yeas: 4 – Nays: 0*

*The Board returned from closed session at 11:40 a.m.*

**RESOLUTION 17-25** *By Nye, Supported by Britton  
Resolved, to deem Mr. Moon vested under IRS rules on partial plan termination, and eligible for benefits. .*

*Yeas: 3 – Nays: 1*

*The Board resumed closed session at 11:44 a.m.  
The Board returned from closed session at 11:58 a.m.*

**RESOLUTION 17-26** *By Britton, Supported by Nye  
Resolved, to approve the closed session minutes from April 27, 2017.*

*Yeas: 4 – Nays: 0*

**RESOLUTION 17-27** *By Britton, Supported by Nye  
Resolved, to pay the \$400 monthly pension supplement, as required by Emergency Manager executive order, from September 1, 2013 to present, to the following participants who have dual membership in the GERS/PFRS and are, therefore, eligible for this supplement: George Caronis, James Lafnear, Donna Himmelspach-Coffman, and Jane Walter.*

*Yeas: 4 – Nays: 0*

**UNFINISHED BUSINESS**

The Board followed up on Ms. McNeary's overpayment with BeneSys. Ms. McNeary will continue to pay the pension fund for the overpayment. BeneSys has reimbursed the pension fund and will post the overpayments accordingly.

It was noted that Trustee Britton and Trustee Nye's terms as trustees for the Fund will expire on June 30, 2017 and that TrusteeStorum's term will expire on June 30, 2019 as stated in the meeting minutes of May 25, 2016.

**RESOLUTION 17-28** By Britton, Supported by Nye

Resolved, to approve preparation of election notices to members of the Fund according to the PFRS rules and procedures.

Yeas: 4 - Nays: 0

**NEW BUSINESS**

**CORRESPONDENCE**

**NEXT MEETING DATE:** June 29, 2017

**ADJOURNMENT**

It was proposed by Trustee Britton and supported by Trustee Nye that the meeting be adjourned at 12:11 p.m.

**RESOLUTION 17-29** by Mayor Britton, Supported by Nye

Further Resolved, That the meeting be adjourned at 12:11 p.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 27, 2017.

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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*