

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
March 30, 2017**

A regular meeting of the Board of Trustees was held on Thursday, March 30, 2017, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

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

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

**Trustees Absent**

Matt Nye (excused)

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*Chairman Storum declared that a quorum was present and called the meeting to order at 10:22 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – February 23, 2017
- B. Financial Reports
  - 1. Financial Reports – January 2017
  - 2. Bills for Ratification as of March 2017
- C. Remove from Rolls:
  - 1. Gibbs, Jennie (Billy Gibbs), DOD 03-02-2017
  - 2. Heffernan, Grant, DOD 02-16-17
  - 3. Heffernan, Cerobia (Grant Heffernan), DOD 03-04-17
- D. Final Benefit Calculations:
  - 1. Walker, Deborah (Alford Walker) PPOA, 02-01-2017, \$1,829.22
  - 2. Batchelor, Dorothy (James Batchelor) PPOA, 02-01-2017, \$1,620.17

**RESOLUTION 17-12** By Nazarko, Supported by Britton  
Resolved, That the items on the Consent Agenda for March 30, 2017, be approved.

Yeas: 3 - Nays: 0

## CONSULTANTS

### A. AndCo.

Christopher Kuhn of AndCo reviewed the Fund's Asset/Manager Summary as of March 28, 2017. Mr. Kuhn discussed his recommendations to transfer funds from Rhumbline to Burgundy.

### **RESOLUTION 17-13** By Nazarko, Supported by Britton

Resolved, to terminate Munder and transfer assets to LSIA, and to authorize Trustee Nazarko to execute the LSIA investment contract; further, to approve and authorize Mr. Kuhn to transfer funds from both Rhumbline Growth and Rhumbline Value to Burgundy Int.

Yeas: 3 - Nays: 0

## REPORTS

- A. Chairman
- B. Secretary
- C. Trustees Committees

Trustee Britton mentioned that the 1099R forms issued to participants did not include dental and vision deductions. Mr. Menter confirmed this will be corrected.

Trustee Nazarko commented that the City intends to pay its annual required contribution next week. The Trustees agreed that Trustee Nazarko will contact Nyhart regarding the calculation of interest on this contribution and he will forward the actuary's conclusions to the other Trustees.

Trustee Nazarko commented that it would be preferable to the City if the System produce an invoice for future annual required contributions. There was discussion that such an invoice should be prepared by the actuary and include estimated interest, depending on payment date.

### **RESOLUTION 17-14** By Nazarko, Supported by Britton

Resolved, the Administrator will prepare an invoice for the next annual required contribution when Nyhart completes its actuarial valuation report, and that such invoice shall include Nyhart's estimated interest based on date of payment.

Yeas: 3 - Nays: 0

Trustee Nazarko requested an update from legal and the administrator about two participants, Garcia and Wilkens. Attorney Henzi explained his review of the files on these participants. There was consensus that these participants qualify as deferred, vested members and are entitled to receive an offer to return their member contributions and/or buy-out, as provided to similarly situated participants.

**RESOLUTION 17-15** By Britton, Supported by Nazarko

Resolved, that the Administrator is directed to send letters to participants Garcia and Wilkens regarding their return of member contributions and/or buy-out with the corrected amounts based on corrected service, and afford them the same response deadline as provided to similarly situated participants who were previously issued a buy-out letter; further, that the Administrator shall continue to send prompt letters to participants shortly before the participant reaches eligibility to draw a normal benefit; further, that BeneSys and the City shall reconcile years of service for participants and report to the Trustees if any errors are found.

Yeas: 3 - Nays: 0

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

**ATTORNEY'S REPORT**

**Attorney Report – General Matters:**

Ken Ayres – Exhibit A

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

Nyhart 2015 Revised Report – Applicable Interest

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

Political Contribution and Fee Disclosure Statements for PFRS and PF VEBA – Exhibit C

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

Income Withholding Order – Michael Davis – Exhibit D

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

LS Investment Advisors, LLC – Mid Cap Account Contract – Exhibit E

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.

Pension Supplement Payable to Dual GERS/PFRS Members – Exhibit F

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

Dispute of IRS Penalty Increase – Exhibit G

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 February 24, 2017 Monitoring Report – Exhibit H

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

MotleyRice Fourth Quarter 2016 Portfolio Monitoring Report – Exhibit I

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

*The Board moved to closed session at 11:34 a.m.*

*The Board returned from closed session at 12:09 p.m.*

**RESOLUTION 17-14** By Britton, Supported by Nazarko

*Resolved, To approve the closed session minutes from February 28, 2017.*

*Yeas: 4 – Nays: 0*

**UNFINISHED BUSINESS**

A. 2015 Summary Annual Report

Requested changes have been made to the report.

**RESOLUTION 17-15** By Britton, Supported by Nazarko

Resolved, to approve and accept changes to the 2015 Summary Annual Report.

Yeas: 4 - Nays: 0

**NEW BUSINESS**The Trustees requested that the Administrator and legal redact social security numbers from published reports.

**CORRESPONDENCE**

Correspondence from investment managers was presented for review, no action required.

**NEXT MEETING DATE:** April 27, 2017

**ADJOURNMENT**

It was proposed by Trustee Britton and supported by Trustee Nazarko that the meeting be adjourned at 12:25 p.m.

**RESOLUTION 17-16** by Brittion, Supported by Nazarko  
Further Resolved, That the meeting be adjourned at 12:25 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 March 30, 2017.

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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*