

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
SEPTEMBER 16, 2015**

A regular meeting of the Board of Trustees was held on Wednesday, September 16, 2015, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

**Trustees Present**

Matt Nye, Chairman  
Lon Britton, Vice-Chairman, (phone-in)  
Craig Storum  
Deirdre Waterman  
Nevrus Nazarko, Secretary, (leaves 11:15)

**Others Present**

Matt Henzi, Sullivan, Ward, Asher & Patton  
Chris Kuhn, The Bogdahn Group  
Chuck Wytrychowski, BeneSys, Inc.  
Liz Edwards, BeneSys, Inc.

**Trustees Absent**

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*Chairman Storum declared that a quorum was present and called the meeting to order at 11:10 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – July 30, 2015
- B. Approval of Closed Session Minutes
- C. Financial Reports
  - 1. Financial Reports – July 31, 2015
  - 2. Bills for Ratification as of July, August, September 2015
- D. Remove from Rolls: N / A
- E. Final Benefit Calculations: N / A

**RESOLUTION 15-041** By Nazarko, Supported by Nye  
Resolved, That the items on the Consent Agenda for September 16, 2015, be approved.

Yeas: 5 - Nays: 0

## CONSULTANTS

### A. The Bogdahn Group

Mr. Kuhn reviewed the Fund's position as of September, 2015. He noted that August was unkind. The U. S. dollar has strengthened, the International has weakened. China is trying to become more consumer oriented. He believes the slowdown was an over-reaction, and there will be more declines in oil prices. As with the VEBA, he is looking at real estate, and would probably go to Rhumblin for the next draw. He recommended transferring funds into Bloomfield Capital. It was then

**RESOLUTION 15-042** By Waterman, Supported by Nye  
Resolved, To transfer \$4 million from Rhumblin into Bloomfield Capital.

Yeas: 4 - Nays: 0

Mr. Kuhn stated that the balances in Mesirow and Metropolitan are declining. 8.4% is currently in real estate, with a target of 10%, so he recommends putting additional funds in. The management fees are netted in the performance report. We could invest directly but there would not be as expanded a portfolio. He commented that the American Funds will not see double digit returns any time soon. At the fund-to-fund level, fees are usually 1%. He noted that Invesco and Clarion are relatively diversified, mostly in U. S. investments. Trustee Britton stated he likes fund-to-fund rather than expanding to new managers. Trustee Waterman agrees.

## 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:

Application for IRS Determination Letters for PFRS – Exhibit A  
Attorney Henzi addressed this issue for the Board in the Attorney Report.

Political Contribution Disclosure / Fee Disclosure – Exhibit B  
Attorney Henzi addressed this issue for the Board in the Attorney Report.

Revised Amendment to Open Meetings Act  
Attorney Henzi addressed this issue for the Board in the Attorney Report.

Changes to Michigan's FOIA Effective July 1, 2015 – Exhibit D  
Attorney Henzi addressed this issue for the Board in the Attorney Report.

Police & Fire Regular Meeting  
September 16, 2015

Nyhart Actuarial Services Contract

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

Hilborn v Hilborn EDRO – Exhibit E

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

IRS Request for Form 900

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

Robbins Geller July 31, 2015 and August 28, 2015 Portfolio Monitoring Reports – Exhibit F

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

**RESOLUTION 15-043** By Nye, Supported by Waterman

Resolved, That the Board move to closed session to discuss pending litigation at 11:29 a.m.

Yeas: 4 - Nays: 0

*The Board moved to closed session at 11:29 a.m.*

*The Board returned from closed session at 11:55 a.m.*

**RESOLUTION 15-044** By Nye, Supported by Waterman

Resolved, That the Board approve the July 30, 2015, closed session minutes.

Yeas: 4 – Nays: 0

**UNFINISHED BUSINESS**

A. PFRS Cash Out Letter

**NEW BUSINESS**

A. FOIA Response, August 18, 2015

**CORRESPONDENCE**

A. Aberdeen Asset Management to Acquire Arden Asset Management, August 4, 2015

B. Bradford Marzec, The Growing Asymmetry of Global Risk, August 7, 2015

C. Letter from LS Investment Advisors, Proxy Vote Information, August 10, 2015

**NEXT MEETING DATE:** October 29, 2015

**ADJOURNMENT**

**RESOLUTION 15-045** By Nye, Supported by Waterman  
Further Resolved, That the meeting be adjourned at 12:00 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 September 16, 2015.



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Nevrus Nazarko, Secretary  
*As recorded by BeneSys*