

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

A regular meeting of the Board of Trustees was held on Wednesday, August 26, 2020 via remote conference. The meeting was called to order at 9:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair (electronically)
Robert Giddings, Vice-Chair (electronically)
James Miriani (electronically)
Walter Moore (electronically)
Billie Swazer (electronically)
James Walker (electronically) *arr @ 9:26*
Deirdre Waterman, Mayor (electronically) *arr @ 10:00*
Patrice Waterman, City Council (electronically)
John White (electronically) *arr @ 10:12*

OTHERS

Julie Pierro, UBS Trumbull (electronically)
Clarissa Parker, Xponance (electronically)
Sumali Sanyal, Xponance (electronically)
Tim Walsh, UBS Trumbull (electronically)
Linda Watson, Retiree (electronically)
David Lee, Dahab Associates (electronically)
Steven Roth, Dahab Associates (electronically)
Cynthia Billings-Dunn, Asher Kelly (electronically)
Deborah Munson, Executive Director (electronically)

TRUSTEES ABSENT

Samantha Powell

PUBLIC COMMENT

Linda Watson made inquiries regarding Trustee Powell; the Board's search for a Pontiac location for the Retirement office; the temporary office assistance and the City's IRS submittal regarding retiree healthcare.

MANAGER PRESENTATIONS

UBS Trumbull: Julie Pierro; Tim Walsh

Mr. Walsh introduced himself and Ms. Pierro to the Board and they discussed their firm, strategy and performance

Xponance; Clarissa Parker; Sumali Sanyal

Ms. Sanyal introduced herself and Ms. Parker to the Board and they discussed their firm, strategy and performance.

AGENDA CHANGES

Miss Munson requested that New Business be amended to add a resolution to schedule the Annual Meeting of the membership.

RESOLUTION 20-101 By P. Waterman, Supported by Miriani
Resolved, That the Board approves the changes to the Agenda.

ROLL CALL:

Albritton – Yes Walker - Yes

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Giddings – Yes D. Waterman- Yes
 Mirani – Yes P. Waterman - Yes
 Moore – Yes White - Yes
 Swazer - Yes

CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held on July 29, 2020

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date August 26, 2020	\$1,986,884.44
Staff Pay Date August 13 & 27, 2020	\$19,684.22

C. Communications

- FOIA Request from Evestment: August 10, 2020
- FOIA Request from Marc Joffe: July 24, 2020
- FOIA Request from Zack Czyriak: August 15, 2020
- Correspondence from Principal RE: Investor Conference
- Correspondence from TerraCap RE: Acquisitions

D. Financial Reports

- Accounts Payable: August 2020
- Dahab Associates Preliminary Report: July 2020
- Attucks Manager-of-Managers Summary: July 2020
- Statement of Changes: July 2020
- Unaudited Financial Statements: Q2 2020

E. Private Equity and Real Estate Capital Calls & Distributions

- Mesirow Fund IV Distribution: July 28, 2020 \$50,000

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date	Amount
2908	Bell, Archie	09/01/2020	

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

RETNO	NAME	Date of Death	Benefit Amount

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1498	Bell, Jessie	07/14/2020	
1579	Brake, Wanda	06/06/2020	
1540	Trojanowski, Jerome	07/29/2020	

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
1562	Brooks, Donald	Brooks, Christine	7/14/2020	
2902	Campbell, Allen	Campbell, Susan	07/24/2020	

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount
2901	Close, Angeline	Final	01/01/2020	
2906	Tsai, Jawyuean	Final	06/01/2020	

Pop-Up Benefit: When beneficiary dies before retirant, monthly benefit "pops-up" to what would have been the monthly Regular benefit amount (plus applicable COLA).

5. Disability Medical Re-Exams/Benefit Continuation

RETNO	Member's Name	Reason
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6. Refunds of Employee Contributions

RETNO	Member's Name	Reason	Amount
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RESOLUTION 20-102 By P. Waterman, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for August 26, 2020.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	D. Waterman- Yes
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

CONSULTANTS

Performance Report: Q2 2020

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Mr. Roth presented the Q2 2020 Performance Report. As of June 30, 2020, the portfolio was valued at \$481M. The fund returned 8.6% over the ten-year period net of fees. The portfolio was valued at \$505M as of August 24, 2020.

RE: Resolution to Approve Periodic Rebalancing

RESOLUTION 20-103 By Moore, Supported by Swazer

Resolved, That the Board approves the Consultant's recommendation to rebalance the portfolio by transferring \$5,000,000 from Attucks All-Cap and \$2,000,000 from Sawgrass to the cash manager to pay for benefits and expenses.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	P. Waterman - Yes
Mirani – Yes	White - Yes
Moore – Yes	
Swazer - Yes	

REPORTS

Relocation

RE: Resolution to Approve Office Lease Renewal

Chairman Albritton reiterated that the Board has been looking to relocate the Retirement Office into the City of Pontiac. At this time, a location has not been identified and the current landlord is willing to extend the current lease for an additional 24 months. He reviewed some of the criteria for the new site and is recommending that the Board approve extending the current lease for 24 months.

There was additional discussion.

RESOLUTION 20-104 By P. Waterman, Supported by Swazer

Resolved, That the Board authorizes the Chairman's signature on a 24-month lease renewal (with existing terms) with Brenwar Properties.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	D. Waterman- Abs
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

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Personnel & Administration Committee

Parr Re-Examination Appeal

Miss Munson reported that both committees received the report of Mr. Parr's doctor indicating that he is totally and permanently disabled. Both committees are recommending that the Board will approve the resolution to continue Mr. Parr on in the appeal process.

Monthly Disability Annual Procedures Update Report

Both committees reviewed this report.

Employee Evaluation

Miss Munson reported that the committee reviewed the annual employee evaluation and decided to table the matter until September.

2021 Proposed Expense Budget

Both committees reviewed the proposed 2021 Expense Budget.

Electronic Retirement Benefit Statements

Miss Munson reported that both committees are recommending that we move forward with the rollout of electronic benefit statements, which is Item A under New Business. She reported that the finance committee would also like to rollout out mandatory direct deposit together with the electronic benefit statements.

Temporary Assistance: Hours Worked Report

Both committees reviewed this report. Through the end of last week, Ms. Arndt had worked a total of 107 hours with 40 hours being reserved for training the new Executive Assistant.

Resumes of Executive Assistant Candidates Selected for Interview

Both committees reviewed the resumes of the 8 candidates who have been selected as finalists for the Executive Assistant position. The resumes were sent to all of the Trustees on Friday, August 21, 2020. The interview committee will be conducting the last of the second interviews this evening.

Finance Committee

Consequent Capital

Miss Munson noted that Consequent Capital is one of the managers scheduled to present at the September Board meeting. The finance committee would like to invite Consequent Capital to attend their September meeting rather than the Board meeting. They would like to have additional time to discuss the details of the underlying portfolio.

Directed Brokerage and Commission Recapture Policy

The finance committee is recommending that the Board would temporarily suspend the DBCRP until the finance committee can make revisions that reflect the current environment.

Benefits Payments Audit

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Miss Munson reported that the committee has asked her to provide a cost comparison of using permanent or temporary staff to conduct the audit of 25% of the retiree population.

Trustee Attendance

Miss Munson reported that the finance committee directed that she reach out to Trustee Powell in a formal letter to know her status and desire to continue to serve as the Active-Member Trustee.

Trustees

Trustee Deirdre Waterman reported that the documents related to the CPREA settlement agreement had been filed with the IRS. The IRS has already responded with follow-up questions. The responses have been sent to the Executive Director are due to the IRS by August 31, 2020. She also addressed the Board's request for a copy of the documents which were sent to the IRS. She said that the city government is responsible for the creation of the GERS Board as well as any documents or processes involved with the GERS Board. In the interest of the settlement agreement, the City engaged Miller Canfield to take that process to the IRS. Miller, Canfield is responsible to report to the City and Samantha Kopacz has done that. Ms. Kopacz as well as the City's attorney from GMH will be appearing before the City Council on September 15, 2020 to provide an update. Until that occurs, she does not feel comfortable in being asked to release documents that are the purview of the City of Pontiac and which will be presented to the City Council.

Chairman Albritton expressed that it would have been preferable to know Trustee Deirdre Waterman's position on releasing the documents when the request for them was made in June. He stated that the Board's legal counsel and the Executive Director would be reviewing the documents which were submitted to the IRS to confirm that what was submitted is consistent with what Ms. Kopacz, Ms. Billings-Dunn and Miss Munson had agreed should be submitted. He will ensure that the responses for the IRS would be sent to Ms. Kopacz prior to the deadline.

EXECUTIVE DIRECTOR REPORT

Proposed 2021 Expense Budget Draft

Miss Munson reiterated that both committees have reviewed the proposed expense budget. She explained that the only revision which had been requested was to accrue six months of COLA in the Actual-to-Date amount for retiree payroll expense. That increased the YTD total but the actual expense is still less than the budgeted amount. The Board will be asked to adopt the 2021 Expense Budget at the September meeting if there are no additional revisions.

Correspondence from City

This information is sent to the Trustees as it is received and is informational only. Miss Munson reported that there is no correspondence from Claudia Filler.

Asset Transition Update: No Report

Notice to Retirees RE: Continuation of Supplemental Benefit

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Miss Munson reported that the notice of the continuation of the \$400 temporary supplemental benefit was mailed to retirees on August 17, 2020. She added that this year's notice included a statement encouraging retirees to sign up for direct deposit.

Office Security Update

Miss Munson reported that the new security glass for the office window was installed on August 18, 2020 and the panic buttons arrived on August 19, 2020. The Ring video doorbell is scheduled to be installed on September 4, 2020.

Temporary Office Assistance

Miss Munson expressed her gratitude to the Board for allowing Ms. Arndt to come back to assist in the office. She has made a tremendous difference by getting the work caught up and preparing the workspace for her successor. She said Ms. Arndt has gone above and beyond and thanked the Board again for the assistance.

UNFINISHED BUSINESS

RE: Resolution to Approve Medical Board of Review

Miss Munson noted that the member's physician determined that the member is disabled which conflicts with the report from the System's Medical Director. Both committees are recommending that the Board would approve to continue the member through the appeal process.

RESOLUTION 20-105 By P. Waterman, Supported by Swazer

Resolved, That the Board accepts the medical report from the member's physician and, further,

Resolved, that Dr. Inwald and Dr. Worden be notified of the process for the Medical Board of Review so that the third physician for the MBOR may be selected and the appeal process continued.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	D. Waterman- Yes
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

NEW BUSINESS

RE: Resolution to Approve Electronic Benefit Statements Rollout

RESOLUTION 20-106 By P. Waterman, Supported by Swazer

Resolved, That the Board approves the rollout of the transition to mandatory Electronic Benefit Statements and mandatory Direct Deposit for retirees.

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ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	D. Waterman- Yes
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

RE: Resolution to Suspend DBCRP

RESOLUTION 20-107 By Moore, Supported by P. Waterman

Resolved, That the Board approves to suspend the Directed Brokerage and Commission Recapture Policy and, further

Resolved, That Board directs that the Policy be referred to the Finance Committee for revision.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	D. Waterman- Yes
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

Trustee D. Waterman left at 11:50 a.m.

RE: Resolution to Extend Employment Agreement

Miss Munson said that approving to extend the duration of the agreement would allow flexibility to retain Ms. Arndt to keep the work of the position current until the position is filled as well as to spend the time necessary to train her successor. Miss Munson referenced the projected cost to retain Ms. Arndt through the end of the year which would still result in a small savings to the System versus the budgeted amount.

RESOLUTION 20-108 By P. Waterman, Supported by Moore

Resolved, That the Board approves the revisions to extend the duration of the employment agreement with Ms. Arndt as authorized by the Chairman.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - No	

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RE: Resolution to Schedule Annual Meeting

RESOLUTION 20-109 By P. Waterman, Supported by Swazer

Resolved, That the Annual Meeting is scheduled for Thursday December 3, 2020. The meeting will be a virtual meeting.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

LEGAL REPORT

Durable Power of Attorney for Geraldine Hall
Correspondence for the Trustees' information.

Durable Power of Attorney for Alys Jolley
Correspondence for the Trustees' information.

Proposed Amended Domestic Relations Order – Bryan Flye
Correspondence for the Trustees' information.

Erica Roberston Restitution

Ms. Billings-Dunn reported that the System along with the two Detroit pension funds had entered into a \$100,000.00 settlement agreement with Ms. Robertson in relation to the Onyx investment. To date, Ms. Robinson has paid \$55,700.00. The System is entitled to 20% of the restitution. Ms. Billings-Dunn reached out to the Clark Hill law firm to determine why the System had not received a payment since the one Ms. Robertson made for September 2019. There is a discrepancy between what Ms. Robertson's bank statement shows she paid, and the amount accounted for at Clark Hill. Ms. Billings-Dunn will follow up and provide an update at the September meeting.

Motley Rice Q2 2020 Portfolio Monitoring Report
Correspondence for the Trustees' information.

Robbins Geller July 2020 Portfolio Monitoring Report
Correspondence for the Trustees' information.

The Board reserves the right to enter into closed session to review matters in accordance with Michigan Public Act 267 of 1976 (Open Meetings Act).

RE: Resolution to go into Closed Session

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Resolved, That the Board approves to go into Closed Session to discuss the Cisco; Insuperity; Camping World; Grubhub; Reckit Benckiser and Danaher securities litigation matters.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

The Board went into closed session at 12:00 p.m.

The Board returned from closed session at 12:14 p.m.

RESOLUTION 20-110 By Moore, Supported by Miriani

Resolved, That the Board ratifies the Chairman's signature with respect to the Cisco shareholder litigation demand.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

RESOLUTION 20-111 By Miriani, Supported by P. Waterman

Resolved, That the Board authorizes Robbins, Geller to file a derivative action against Danaher Corporation.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

RESOLUTION 20-112 By Miriani, Supported by P. Waterman

Resolved, That the Board Robbins, Geller to file a motion for lead plaintiff in the Insuperity securities litigation matter.

ROLL CALL:

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Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, September 30, 2020 9:00 a.m. – Retirement Office

RESOLUTION 20-113 By Moore, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 12:20 p.m.

ROLL CALL:

Albritton – Yes	Walker - Yes
Giddings – Yes	
Mirani – Yes	P. Waterman - Yes
Moore – Yes	White - Yes
Swazer - Yes	

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on August 26, 2020.

*As recorded by Deborah Munson, reviewed and edited by
Legal Counsel*