

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

A regular meeting of the Board of Trustees was held on Wednesday, September 30, 2020 via remote conference. The meeting was called to order at 9:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Robert Giddings, Vice-Chair
Walter Moore (electronically)
Samantha Powell (electronically)
Billie Swazer (electronically)
James Walker (electronically) *arr @ 9:28*
Deirdre Waterman, Mayor (electronically)
Patrice Waterman, City Council (electronically)
John White (electronically)

OTHERS

Louise Gates, Gabriel, Smith & Co. (electronically)
Catherine Farrell, MAPE (electronically)
Samantha Kopacz, Miller, Canfield (electronically)
Larry Fumarolo, Northern Trust (electronically)
Joe Kowalski, Plante & Moran (electronically)
Manju Patnaik, Plante & Moran (electronically)
Tal Gunn, Robinson Capital (electronically)
Greg Prost, Robinson Capital (electronically)
Claudia Filler, new VEBA Trustee (electronically)
Lon Britton, new VEBA Trustee (electronically)
Linda Watson, Retiree (electronically)
Cynthia Billings-Dunn, Asher Kelly (electronically)
Phillip Brown, City Videographer (electronically)
David Lee, Dahab Associates (electronically)
Steven Roth, Dahab Associates (electronically)
Mizuki Kanno, Executive Assistant
Phillip Moore, Finance Director
Deborah Munson, Executive Director

TRUSTEES ABSENT

James Miriani - Excused

PUBLIC COMMENT

None

MANAGER PRESENTATIONS

Robinson Capital: Tal Gunn; Greg Prost

Mr. Gunn introduced himself and Mr. Prost to the Board and they discussed their firm, strategy, and performance.

GERS TRANSITION PROJECT ADMINISTRATIVE MATTERS

Miss Munson briefly explained that this presentation came about because of the GERS Termination ordinance which was presented to the City Council. The proposed ordinance set a GERS termination date as of January 31, 2021. She noted that the Board had a special meeting with their advisors on September 18, 2020 in which they discussed all of items which the GERS team would need to accomplish with respect to the termination. Since questions remained after the meeting regarding the feasibility of the proposed termination date, the Board determined that it would be a good idea to have all of the parties in the room

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so that those questions could be answered and everyone would have an understanding of what will be required of the System's professionals in order to effectuate the transition. She introduced the advisors and other attendees.

Samantha Kopacz from Miller, Canfield (representing the City)

Louise Gates, Gabriel, Smith & Co. (actuary)

Larry Fumarolo, Northern Trust (custodian)

David Lee, Dahab Associates (investment consultant)

Steven Roth, Dahab Associates (investment consultant)

Joe Kowalski, Plante & Moran (auditor)

Manju Patnaik, Plante & Moran (auditor)

Catherine Farrell, MAPE

Claudia Filler (new VEBA Board Trustee)

Lon Britton (PFRS and new VEBA Board Trustee)

Linda Watson (new VEBA Board)

Miss Munson stated that the purpose today is for the Board to determine whether the Jan 31, 2021 termination date is a reasonable date.

Chairman Albritton asked Mr. Lee and Mr. Roth for their opinion about this process.

Mr. Lee stated that it is necessary to think about how to move the assets. He said that new investment management agreements would need to be established for both the new GERS as well as the new VEBA. He said that the VEBA's attorney will also need to review the documents to make sure they are comfortable with the language. The money in the current GERS is custodied at Northern Trust. Northern Trust will need to set up new portfolio accounts for the new GERS. And some of the assets will need to be transferred to the new VEBA's custodian and the VEBA's custodian will need to open new accounts to receive the assets. He explained that it is necessary to think about how the assets will be moved over. Post-transition, a certain amount of assets will have been transferred to the VEBA which means the funded status of the GERS will also have changed and, therefore, the asset allocation will also need to change: this can be addressed over time. However, which assets are transferred to the new VEBA needs to be discussed because it is not known whether the VEBA is going to want to have an asset allocation similar to the GERS with pieces of the assets the GERS has today.

Ms. Kopacz explained that the proposed termination date is the date the assets are finalized; when all liabilities and benefit accruals stop and when everything gets transferred over to the Reestablished GERS. In terms of the actual transfer of the assets, she does not anticipate that the assets will be transferred on that date. We will need the final valuation as of the termination date and that cannot be provided in advance of the termination date. From the IRS perspective, it is the legal termination date of the plan but not necessarily the date when the assets start moving.

Ms. Kopacz confirmed for Ms. Gates that the termination date is a calculation date: it is the date the liabilities are calculated and the value of the assets are determined. She also confirmed that – because there is a lapse in time between the termination date and the date that the assets are transferred – the values may be different. The potential for there to be a drop in the value of the assets between the two points in time would be a matter for the investment experts to determine how to address.

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Ms. Kopacz also mentioned that it had been contemplated having an initial transfer of a lump sum of amount of assets for the purpose of continuing the reestablished GERS retirement benefits as well as moving money over to the VEBA so they can start providing benefits as well. This matter needs to be discussed to determine how this could occur.

Chairman Albritton noted that – as fiduciaries – the Trustees sole responsibility is to the members of the System. He wanted the professionals to weigh in on how it would work to pull out from the GERS some 'working capital' for the VEBA as Ms. Kopacz suggested as an option for the Board to consider.

Ms. Billings-Dunn said that it would make sense that – if we can decide on the termination date – we can then do an estimate of what the assets and liabilities are on that date and start moving the assets over to the VEBA and the new GERS with an idea that there would be a true-up later. It will take another quarter or longer for the consultants to get the actual values for some of the assets. And it will also take time for the actuary to get the information and run their report.

Ms. Gates expressed that one of the concerns she would have as an actuary is that if you take the calculations at the termination date, the value of the assets in GERS could drop, at which point, there is some risk for the GERS that it would no longer be 130% funded. She asked how you address the downside risk. It is possible to project liabilities and compare that to the actual value of assets on the transfer date or you could look at the liabilities and assets on the termination date which requires an agreement between the parties that the GERS is not harmed if the asset values declined. She reiterated her opinion that there are downside risks to the GERS and that, at the very least, everyone needs to understand this.

Trustee Deirdre Waterman explained that 130% level was selected because it gave some level of security. That is not the level at which to fund assets, but it was to give some leeway if there was a downturn. There is a risk at whatever level and there is no surety there will not be risk.

Ms. Billings-Dunn commented that the municipality has an obligation to make sure that the retirees' benefits are going to be paid. It may be that – once the System moves down to 130% - the City will have to start contributing every year depending upon the normal cost of the plan.

Miss Munson directed the Trustees to the settlement agreement section which references 130% of pension liabilities remaining in the GERS. The agreement does not reference any required City contributions after the fact. She then referenced the section pertaining to the funding of the new VEBA. This section requires that the City make annual contributions to the new VEBA but caps that annual contribution amount at \$1.5M per fiscal year.

Ms. Billings-Dunn noted that state law requires that the City make any actuarially required contribution and the agreement could not limit the City's obligation to make the required contribution.

Trustee Moore asked what exactly the IRS is asking of each of the parties in order to effectuate this transition.

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Ms. Kopacz responded that the only outstanding issue that has been represented from the IRS to her is that they need the proposed termination date and they need the City Council to take action on that. She said that the IRS indicated that they cannot finish processing the application until they have Council action, and that they will throw out the application if they do not have Council action very soon. So, we need to collectively come up with that date. The IRS does not care what the date is, they need the date to close out the plan and to know what the plan valuation is as of that date. Ms. Kopacz continued that - even though she and the Mayor did not communicate to the administrative representatives of the GERS - they thought January 31, 2021 was potentially the earliest possible date. Their goal was to make sure the retirees get their healthcare benefits as soon as possible. She said that if January 31, 2021 is not possible and if the GERS Board would like to push it back a month or two, they need to explain why it is not possible and provide the date that would work so she can give the date to the IRS.

Trustee Moore asked Ms. Kopacz what specific action the IRS is asking of the Council.

Ms. Kopacz referenced the GERS Termination Ordinance which now includes a proposed termination date of January 31, 2021. This would go before the Council at their study session next Tuesday and the Council would adopt the GERS Termination Ordinance after another two weeks. She explained that if something changes, the Council can go back before that date and undo it, if necessary. She does not believe the IRS would be pressing hard on a Council action with the termination date if they do not intend to approve the transaction.

Chairman Albritton commented that it would have been fair to the Board if there was an opportunity to have sat down collectively and worked out a suitable date that made sense to ensure that this will be a smooth transition.

Trustee Moore stated that it is a good starting point to have the right people around the table and that he hopes this group will collectively decide who should be in the loop and make sure to include them.

Ms. Gates stated that once the termination date is established and that termination date is the calculation date, the date upon which the liabilities and assets are determined, a true-up should not be necessary.

Mr. Lee clarified that a 'true-up' is only in reference to the valuation of the less liquid assets such as private equity which will not have final valuations for one or two quarters after the termination date.

Ms. Gates commented that if the date is set to be December 31, 2020, there would be some efficiency in having it set to the annual evaluation date. Data and assets are typically being collected and valued at that point. And they would not want to interrupt the City's audit.

Vice-Chair Giddings stated that the true-up is not just actuarial liabilities. There are liabilities and costs incurred with terminating the plan that must be recorded in the book and recognized. The new GERS should not be in any way responsible to pay any of the costs of the old GERS and that would have to be part of the true-up as well. He also mentioned that in a final year it is possible to extend the fiscal year more than 12 months to like 13 or 14 months to avoid duplication.

Trustee Deirdre Waterman asked what the actuarial services contract is for.

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Ms. Gates responded that it is related to actuarial services for the experience study, uniform actuarial assumption data and any calculations provided in connection with the transfer of the assets.

Trustee Patrice Waterman stated that she is looking for a clear understanding of what the procedure is going to be. The GERS Termination Ordinance will have to come before the Council for a vote. She asked for clarification of whether we are looking at either December 31 or January 31, or it is being considered to move the date further out.

Miss Munson reminded the Trustees that she, Ms. Kopacz and Ms. Billings-Dunn worked together on three documents; cleaning up the current GERS, the GERS Termination Ordinance and the Reestablished GERS. At the Board's January 2020 meeting, Ms. Kopacz indicated that termination of the old GERS was a matter which would have to be collectively bargained with the MAPE union because MAPE approval would be required to close the GERS. She asked Ms. Kopacz why the Termination Ordinance is being presented to the Council if the plan closure has not yet been approved by MAPE.

Ms. Kopacz responded that John Clark has already had discussions with MAPE and its attorneys and that the approval process has been completed.

Miss Munson asked whether the City Council would need MAPE's approval in writing prior to adopting the GERS Termination Ordinance.

Trustee Deirdre Waterman explained that MAPE is under a collective bargaining agreement with the City, and that John Clark has reported about the collective bargaining agreement in that format.

Trustee Patrice Waterman asked to whom Mr. Clark reported this matter.

Trustee Moore pointed out that the one of the reasons for today's meeting is to come to an agreement to put together a working group that would be able to deal with all these issues and determine a plan. Then everyone would know what the plan is and all parties would work off of that developed plan. He also stated that it will not be possible to handle all the concerns and questions coming up today, and that the working committee could come up with those answers and disseminate all the information to all parties involved.

Ms. Kopacz concurred with Trustee Moore and expressed that it is important for today to collectively determine what the proposed termination date would be where everything required gets completed since the IRS is waiting on the date.

Mr. Fumarolo said that it would be beneficial if the termination date is December 31, 2020 since it is the current GERS plan year end and that is when the audit and actuarial reporting end. If the assets are not going to move until later date, December 31, 2020 would make more sense than January 31, 2021 to avoid re-valuing everything. He stated that he understands the asset transfer will not happen the day after the termination date and that Northern Trust can transfer the assets whenever they are directed to. He also concurred with the consultant regarding the termination date and the need for the Board to consider which assets will move to the new GERS and the new VEBA plan.

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Mr. Kowalski stated that – from an auditing and accounting perspective – they could work with any of the dates. It seems like a lot would have to happen administratively between now and December 31, 2020. Certain financial statements are still going to be filed and audited for the fiscal year end but either December or January termination date would work for Plante Moran.

Ms. Patnaik explained that if December 31, 2020 was selected to be the termination date, they would perform an audit as of December 31, 2020 for the existing plan, then they would perform an audit as of December 31, 2021 for the new GERS plan. If January 31, 2021 is selected, they would perform an audit as of December 31, 2020, then they would have to do another audit as of January 31 to close out the existing plan. She concurred with Mr. Kowalski that December 31 may be cleaner, but she does not know in terms of milestones what needs to happen to make that the termination date.

Ms. Billings-Dunn stated that the IRS website provides that assets in a terminated defined benefit plan must be distributed as soon as administratively feasible, but generally within 12 months. She requested that Ms. Kopacz to get clarification from the IRS that there is 12-month period to actually transfer the assets.

Ms. Kopacz stated that this has already been discussed with the IRS. Her question is regarding how the pension benefits are going to continue in the interim under the reestablished GERS. She explained that getting some of the assets transferred as of the day after the termination date is a good idea, so it is clean who is providing the benefits under the new pension plan.

Trustee Deirdre Waterman explained that the Council deferred the Termination Ordinance for 2 weeks and they are putting it back on the Council agenda for a first reading at the Council's October 6 meeting. She stated that they need to know if the date is selected because a date must be included in the ordinance.

Miss Munson explained that the payroll is set up under certain tax ID number. If the termination date for GERS is December 31, 2020, there must be a change with ADP as well. But there are no assets in the Reestablished GERS to pay the payroll because the new entity has not been approved or established. She asked if they could continue to make payments out of the old GERS after December 31.

Ms. Kopacz responded that it would be cleaner if a small amount of assets could be transferred so that the Reestablished GERS is paying out the benefit from their own account effective January 1, 2021. She said that they have not received the Reestablished GERS document back from the IRS. Once the document is back from them, it would go to the Council for an effective date of February 1, 2021 and - at that point - there would also be a new employer identification number.

Mr. Fumarolo explained that – in order to open new accounts - it is required to have the Reestablished GERS' documentation including the identification number.

Ms. Billings-Dunn responded that the whole idea was for the IRS to approve before December 31, 2020. If the IRS approves this before December 1, 2020, then there is a little time to get the new identification number.

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Chairman Albritton said that it does not appear that December 31, 2020 is going to work, given everything that needs to occur.

Ms. Kopacz reiterated that the termination date is the only thing the IRS is waiting on that they are ready to process the submission once the date is given to them. She stated that her impression is that approval would be coming sooner rather than later and certainly this year. She also stated that she thought about December 31, 2020 being a cleaner date for all the valuation purposes but she was concerned that all the documents are not going to be ready by then, so January 31, 2021 was selected to give some leeway in terms of getting these administrative tasks done between the time the GERS plan is terminated and the IRS approves the Reestablished GERS.

Miss Munson asked Ms. Kopacz whether the experience study was necessary for IRS approval.

Ms. Kopacz responded that the experience study is a state law requirement and something that was strongly recommended by the actuary to make sure we have the right assumptions. The IRS is not requiring the experience study. She said that the IRS has not indicated that they need an experience study, and it is not something that was requested in the plan termination application. The experience study is being done to determine the assumptions for the assets and how they are valued.

Chairman Albritton asked Ms. Kopacz how soon she needs to get back to the IRS with the date.

Ms. Kopacz responded that the IRS started asking for it about three weeks ago and saying that if they did not receive it, they would throw out the submission.

Chairman Albritton asked Ms. Gates what she considered would be the ideal termination date.

Ms. Gates responded that having it coincide with the last day of the fiscal year makes sense because that provides some efficiency by not having to do two audits and two actuarial valuations. She said that if more time is needed, the question becomes how much time is needed. If that is six months after the close of the Retirement System's plan year, if that provides enough time to complete all the administrative tasks required, it is possible to do but then it will require a second audit and second actuarial valuation.

Mr. Fumarolo responded that they can accommodate this transition on January 1, 2021. They would need to get the new custody agreement, Authorized Parties Document and other documentation. They would then be able to open the accounts and have it ready by the first business day of 2021. The new VEBA may not be up and running by then - all of the new accounts would need to be set up for it to be funded.

Chairman Albritton asked what the harm would be if the termination date is pushed back to the end of the first quarter of 2021. He stated that it seems like this is being rushed, and he would like to do everything right as we prudently begin to liquidate and transfer the assets. He questioned whether December 31, 2020 is a realistic date. He said that there are so many unknown variables if December 31, 2020 is selected.

Trustee Deirdre Waterman stated that the harm is that the retirees have been waiting for this for a long time and this date was selected with some thoughts that she did not want to run the risk of putting this at the end of the line again. She concurred that a working group of the advisors is a good idea so they can

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get a timeline established and to expedite the planning so that the transition occurs in a thoughtful manner.

There was additional discussion.

Trustee Moore agreed with Chairman Albritton that if December 31, 2020 is not going to work, then all the experts' input is necessary for a realistic date to be determined.

Mr. Lee stated that if everyone agrees that December 31, 2020 is problematic, the next date that makes most sense and clean would be quarter end which is March 31, 2021 that Chairman Albritton mentioned. At least it puts the date down to give to the IRS, hopefully it gives enough time to obtain the new ID number and bypass any of the challenges that might occur with holiday and year end periods, and it would be a clean break on a quarter end for all of the valuations.

Trustee Moore asked Ms. Kopacz if she thinks that would cause any problems or if it is a realistic date.

Ms. Kopacz responded that it is a realistic date and would give some additional cushion. Since it would be the same plan year as has already been proposed, it would not change any of the legal provisions that are required. She said that she would support this date if everyone thinks it makes the most sense.

Trustee Patrice Waterman agreed to recommend to her City Council colleagues a termination date of March 31, 2021.

RESOLUTION 20-115 By P. Waterman, Supported by Moore

Resolved, That the Board recommends to the City Council March 31, 2021 as the GERS Termination date.

ROLL CALL:

Albritton – Yes	Walker – Yes
Giddings – Yes	D. Waterman – Abstain
Moore – Yes	P. Waterman – Yes
Powell – Yes	White – Yes
Swazer – Yes	

AGENDA CHANGES

Miss Munson welcomed Mizuki Kanno, the new Executive Assistant, to the System.

CONSENT AGENDA

- A. Approval of the Minutes of the Regular Board Meeting held on August 24, 2020
- B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date September 30, 2020

\$1,980,529.49

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Staff Pay Date September 10 & 24, 2020

\$19,425.86

C. Communications

- FOIA Request from ISS: August 24, 2020
- FOIA Request from Evestment: August 31, 2020
- Correspondence from Attucks & Dahab RE: Lisanti Capital
- Correspondence from Kennedy Capital & Dahab RE: Retirements
- Correspondence from Loomis & Dahab RE: Retirement
- Correspondence from TerraCap RE: Disposition
- Correspondence from Wellington & Dahab RE: CEO Retirement
- IFEBP New Trustees Institute: October 5 and 16, 2020 (Virtual)
- Invesco 2020 Leadership Exchange: October 15, 22 & 29, 2020 (Virtual)
- IFEBP Annual Conference: November 3 – 19, 2020 (Virtual)
- Principal Real Estate Investor Conference: November 10 – 20, 2020 (Virtual)

D. Financial Reports

- Accounts Payable: September 2020
- Dahab Associates Preliminary Report & Asset Level: August 2020
- Attucks Manager-of-Managers Summary: August 2020
- Statement of Changes: August 2020

E. Private Equity and Real Estate Capital Calls & Distributions

- Mesirow Fund IV Distribution: August 26, 2020 \$75,000
- Mesirow Fund VI Capital Call: August 26, 2020 \$60,000
- Mesirow Fund VI Distribution: August 26, 2020 \$105,000

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date	Amount
2909	Jamieson, Robert	10/1/2020	

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

RETNO	NAME	Date of Death	Benefit Amount
1923	Hahn, Geraldine	09/03/2020	
701278	Colbeth, Alta	08/28/2020	
701322	Ratterree, James	08/28/2020	

3. J&S Continued Retirements

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RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
1744	Silva, Yvan	Silva, Marcella	08/19/2020	
1542	Parr, Rodney	Garcia, Teresa	09/08/2020	
1419	Mosley, Archibald	Mosley, Jerolene	08/06/2020	

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount
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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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Miss Munson requested that the Consent Agenda (Item C) to be amended.

Vice-Chair Giddings requested that the Consent Agenda (Item B) to be amended.

RESOLUTION 20-116 By Moore, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda except Item B and C for September 30, 2020.

ROLL CALL:

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

RESOLUTION 20-117 By Moore, Supported by Swazer

Resolved, That the Board approves the Consent Agenda Item C by adding the retiree payroll amount of \$1,980,529.49 and Item B to correct the minutes of the September 18, 2020 Special Meeting to reflect the start and end times.

ROLL CALL:

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

CONSULTANTS

Preliminary Performance:

Mr. Roth reported that as of August 31, 2020, the value of the fund was \$507M. As of September 28, the value of the fund was \$495.2M.

REPORTS

Personnel & Administration Committee

Parr Re-Examination Appeal

Miss Munson reported that both committees received the report regarding Mr. Parr. Mr. Parr is the disability retiree who was going through disability appeal process. He passed away on September 8, 2020, and the appeal procedure ends. Staff is currently attempting to locate his beneficiary.

Employee Evaluation

Miss Munson reported that the committee reviewed Phillip Moore's evaluation and decided to table the matter until October.

2021 Proposed Expense Budget

Both committees are recommending that the Board would adopt the proposed 2021 Expense Budget which is Item A under Unfinished Business.

Electronic Retirement Benefit Statements

Ms. Munson reported that both committees reviewed the notice to retirees regarding electronic retirement benefit statements. The Board resolved last month to begin the process of converting all retirees to mandatory electronic benefit statement as well as mandatory direct deposit. As of today, only 42 retirees out of 1,080 have signed up voluntarily for the electronic retirement benefit statements. She reported that the retirement office received between 30 and 40 phone calls asking if this is going to be mandatory. Both committees have decided to hold off on the mandatory conversion to see how many more retirees will sign up in the next month or two.

Experience Study

Both committees are recommending that the Board would ratify the Chairman's decision to forward to the actuary the City's request for an experience study.

Form 5572 Data Request

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Both committees are recommending that the Board would ratify the Chairman's decision to forward to the actuary the request for Form 5572 data.

Finance Committee

Consequent Capital

Miss Munson reported that the finance committee had a presentation by Consequent Capital and has sent the manager some follow up questions.

Directed Brokerage/Commission Recapture Program

Miss Munson reported that the committee discussed the Directed Brokerage/Commission Recapture Program which has been temporarily suspended due to changes at NTSI who ran the commission recapture program. She is working with Mr. Lee and Mr. Roth to revise this program and bring something back for the committee to review.

Gabriel, Roeder, Smith & Co. Contract Renewal

The finance committee is recommending that the Board would approve to renew the contract with Gabriel, Roeder, Smith & Company for the plan years 2020 and 2021 which is Item D under New Business.

EXECUTIVE DIRECTOR REPORT

Correspondence from City

Miss Munson reported that the City will need to sign an actuarial services agreement with Gabriel, Roeder, Smith & Company. The agreement was forwarded to the City on September 25, 2020.

Notice to Retirees RE: Electronic Benefit Statement

Miss Munson reported that the notice regarding the electronic benefit statements was mailed to the members on September 11, 2020.

Annual Meeting

Miss Munson reported that all the service providers have confirmed that they are available for the annual meeting and that the City Hall has agreed to let the System to use the Council chambers. The Council chambers can hold up to 16 people while maintaining physical distancing.

UNFINISHED BUSINESS

RE: Resolution to Approve 2021 Expense Budget

Miss Munson noted that there has been no change since this was presented to the Board in August.

RESOLUTION 20-118 By Moore, Supported by Swazer

Resolved, That the Board adopts the 2021 Expense Budget as presented.

ROLL CALL:

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

NEW BUSINESS

RE: Resolution to Update Northern Trust Signature Authority

Miss Munson reported that employee access to Northern Trust is removed immediately at the time of their termination. This resolution is the Board's approval to replace the former Executive Assistant with the current one as a transactor.

RESOLUTION 20-119 By Moore, Supported by Swazer

Whereas, the Board of Trustees has various responsibilities associated with administering the business of the Retirement System and for making effective the provisions thereof; now, therefore, be it

Resolved, that the Northern Trust Web Cash Movement Individual User Authorization will be updated by removing Kristy Neumann adding Mizuki Kanno, and, further

Resolved, that the Northern Trust Client Communication Callback Process will be updated by removing Kristy Neumann and adding Mizuki Kanno, and, further

Resolved, that the Northern Trust Trade Order – Access Form will be updated by removing Kristy Neumann and adding Mizuki Kanno

ROLL CALL:

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

RE: Resolution to Update Disbursements Process

RESOLUTION 20-120 By Giddings, Supported by Albritton

Resolved, That the Retirement Office Disbursements Process be updated to no longer require that Chairman Sheldon Albritton and Vice-Chair Robert J. Giddings review and sign off on nightly transaction reports.

ROLL CALL:

Albritton – Yes	Walker – Yes
Giddings – Yes	D. Waterman – Yes

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Moore – Yes P. Waterman – Yes
Swazer – Yes White – Yes

RE: Resolution to Ratify Employment Agreement

RESOLUTION 20-121 By P. Waterman, Supported by Swazer
Resolved, That the Board ratifies the Chairman's signature on Mizuki Kanno's employment agreement.

ROLL CALL:

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

RE: Resolution to Approve GRS Contract Renewal

RESOLUTION 20-122 By P. Waterman, Supported by Swazer
Resolved, That the Board approve the Gabriel, Roeder, Smith & Company Consulting Services Agreement for fiscal years 2020 and 2021.

ROLL CALL:

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

RE: Resolution to Ratify Form 5572 Actuarial Request

Trustee Swazer asked for clarification that this City needs this.

Miss Munson responded that the City is required annually to file Form 5572 with the state.

RESOLUTION 20-123 By P. Waterman, Supported by D. Waterman
Resolved, That the Board ratifies the Chairman's decision to forward to the actuary the City's request for Form 5572 data.

ROLL CALL:

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

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RE: Resolution to Ratify Actuarial Experience Study Request

RESOLUTION 20-124 By P. Waterman, Supported by Moore

Resolved, That the Board ratifies the Chairman's approval to forward to the actuary the City's request for an experience study.

ROLL CALL:

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

LEGAL REPORT

Durable Power of Attorney for Jerolene Mosely
Correspondence for the Trustees' information.

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

Changes of Ordinance Recommended to City Council

Ms. Billings-Dunn reported on her memo about the differences between the Reestablished GERS Ordinance which was submitted to the IRS and the Reestablished GERS recommended to the City Council by the Board.

Miss Munson asked Ms. Billings-Dunn about the language from the CPREA settlement agreement regarding Board composition. She noted that the language in the version submitted to the City Council was verbatim from the agreement and the language in the version submitted to the IRS was not. She asked Ms. Billings-Dunn whether she saw an issue with the language in the IRS version being different from the language in the settlement agreement.

Ms. Billings-Dunn responded that she does not see any issues with this. She explained that the document recommended by the Board was not completely identical to the document which was submitted to the IRS for the approval. The IRS is going to issue a letter of determination which will be contingent upon the document that was submitted being adopted by the City Council within 90 days.

There was additional discussion regarding the differences between the Reestablished GERS Ordinance recommended by the Board to the City Council and the one submitted to the IRS.

Chairman Albritton said that the Board is going to submit a written letter to the City Council regarding the differences in order to bring them to their attention.

Trustee Swazer suggested recommending to the City Council that they adopt the version of the ordinance which the GERS Board recommended.

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Trustee Patrice Waterman suggested that any additional changes to the ordinance be adopted after this process is completed in order to avoid holding this up any further than necessary.

Executive Assistant Employment Agreement

Correspondence for the Trustees' information.

Arndt Temporary Employment Agreement

Correspondence for the Trustees' information.

Deceased Disability Beneficiary Pension

Correspondence for the Trustees' information.

Erica Robertson Restitution

Ms. Billings-Dunn previously reported that there was a settlement with Erica Robertson to make monthly payments, and it appeared that she had not made any payments since September 2019. Ms. Robertson is required to make payments directly to Clark Hill law firm. Ms. Billings-Dunn reported that she has been provided information indicating she had been making her payments. She reported that Clark Hill is making corrections and that a check will be sent to make up the difference.

Bloomberg Article: Danaher Sued by Pension Fund to Add Racial Diversity to Board

Correspondence for the Trustees' information.

BLBG Portfolio Monitoring Report 2nd Quarter 2020

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

RESOLUTION 20-125 By P. Waterman, Supported by Moore

Resolved, That the Board approves to go into Closed Session to discuss the Cisco, Adobe and Intuit litigation matters.

ROLL CALL:

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

The Board went into closed session at 12:18 p.m.

The Board returned from closed session at 12:26 p.m.

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RESOLUTION 20-126 By Moore, Supported by P. Waterman

Resolved, That the Board authorizes the Chairman's signature on verification on the complaint with respect to the Cisco shareholder litigation matter.

ROLL CALL:

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

RESOLUTION 20-127 By P. Waterman, Supported by Walker

Resolved, That the Board ratifies the Chairman's signature on retainer letter in the Adobe litigation matter.

ROLL CALL:

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

RESOLUTION 20-128 By P. Waterman, Supported by Moore

Resolved, That the Board ratifies the Chairman's signature on retainer letter on the Intuit litigation matter.

ROLL CALL:

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

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, October 28, 2020 9:00 a.m. – Retirement Office

RESOLUTION 20-129 By Moore, Supported by P. Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 12:30 PM

Yeas: 8 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the

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

General Employees' Retirement System
held on September 30, 2020.

*As recorded by Mizuki Kanno, reviewed and edited by Legal
Counsel and the Executive Director*