

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

A regular meeting of the Board of Trustees was held on Wednesday, October 28, 2020 via remote conference. The meeting was called to order at 9:02 A.M.

**TRUSTEES PRESENT**

Sheldon Albritton, Chair – Pontiac, Oakland County, Michigan  
Robert Giddings, Vice-Chair (electronically) – Cheboygan, Cheboygan County, Michigan  
James Miriani (electronically) – Oakland Twp, Oakland County, Michigan  
Walter Moore (electronically) – Lantana, Denton County, Texas  
Samantha Powell (electronically) – Pontiac, Oakland County, Michigan  
Billie Swazer (electronically) – Pontiac, Oakland County, Michigan  
James Walker (electronically) *arr @ 9:12* – Pontiac, Oakland County, Michigan  
Patrice Waterman, City Council (electronically) – Pontiac, Oakland County, Michigan  
John White (electronically) – Pontiac, Oakland County, Michigan

**TRUSTEES ABSENT**

Deirdre Waterman, Mayor - Excused

**OTHERS**

Amanda Baron, First Eagle (electronically)  
Peter Palandjian, Intercontinental Real Estate (electronically)  
Laura Sandford, First Eagle (electronically)  
Roth Vaillancourt, Intercontinental Real Estate (electronically)  
Linda Watson, Retiree (electronically)  
Cynthia Billings-Dunn, Asher Kelly (electronically)  
Phillip Brown, City Videographer (electronically)  
David Lee (electronically)  
Steven Roth, Dahab Associates (electronically)  
Mizuki Kanno, Executive Assistant  
Deborah Munson, Executive Director

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**PUBLIC COMMENT**

Linda Watson made inquiries regarding the payment to Howard Kravitz. Miss Munson explained that Mr. Kravitz is the investigator who performs employee background checks and was engaged recently to locate a missing beneficiary.

**MANAGER PRESENTATIONS**

*First Eagle: Amanda Baron; Laura Sandford*

Ms. Baron introduced herself and Ms. Sandford to the Board and they discussed their firm, strategy, and performance.

*Intercontinental Real Estate; Peter Palandjian; Roth Vaillancourt*

Mr. Vaillancourt introduced himself and Mr. Palandjian to the Board and they discussed their firm, strategy, and performance.

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

**RE: Public Act 228 Regarding Remote Meeting**

Ms. Billings-Dunn explained new rules for remote meetings under Public Act 228. The Act requires Trustees who are participating remotely to identify the city, state, and county where they are physically located for the purpose of the minutes. She suggested going forward that the Trustees state their physical city, state and county at roll call.

Trustee Patrice Waterman and Trustee Miriani asked the reason for identifying the physical location. Ms. Billings-Dunn responded that details will be covered under her legal report. She said that this bill was adopted effective October 16, 2020 and that it was put together right after the Michigan Supreme Court ruled that the Governor's Executive Orders were unconstitutional.

**AGENDA CHANGES**

Miss Munson requested that New Business be amended to add approval of a request from Robinson Capital for an IPS compliance waiver.

**RESOLUTION 20-130** By W. Moore, Supported by P. Waterman  
**Resolved**, That the Board approves the change to the Agenda.

**ROLL CALL:**

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

**CONSENT AGENDA**

A. Approval of the Minutes of the Regular Board Meeting held on September 30, 2020

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date October 28, 2020	<b>\$1,977,776.47</b>
Staff Pay Date October 8 & 22, 2020	<b>\$23,498.06</b>

C. Communications

- FOIA Request from Czyriak: October 2, 2020
- FOIA Request from Evesetment: October 6, 2020
- FOIA Request from Czyriak: October 19, 2020
- Correspondence from Loomis & Dahab RE: Retirement

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

- Mesirow Private Equity 2020 Webinar: November 5, 2020 (Virtual)

**D. Financial Reports**

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

**E. Private Equity and Real Estate Capital Calls & Distributions**

- Invesco Fund V Distribution: October 20, 2020 \$468,843
- Mesirow Fund IV Distribution: September 25, 2020 \$75,000

**F. Retirement Benefits**

1. New Retirements

RETNO	NAME	Effective Date	Amount
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**Bold type entry indicates Reciprocal service credit.**

2. Terminated Retirements

RETNO	NAME	Date of Death	Benefit Amount
1512	Nommensen, Margaret	10/12/2020	
701405	Keith, Nancy	10/02/2020	
1619	Butler, Noble	09/13/2020	
2633	Norris, Walter	09/14/2020	

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
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4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount
2909	Jamieson, Robert	Final	10/01/2020	

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

6. Refunds of Employee Contributions

RETNO	Member's Name	Reason	Amount
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**RESOLUTION 20-131** By Moore, Supported by Miriani

**Resolved**, That the Board approves and ratifies actions described in the Consent Agenda for October 28, 2020.

ROLL CALL:

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

**CONSULTANTS**

Preliminary Performance:

Mr. Roth presented the Q3 2020 Performance Report. As of September 30, 2020, the portfolio was valued at \$495M. The portfolio was valued at \$505M as of October 26, 2020.

**RE: Resolution to Approve Periodic Rebalancing**

**RESOLUTION 20-132** By Swazer, Supported by Moore

**Resolved**, That the Board approves the Consultant's recommendation to rebalance the portfolio by transferring \$2M each from Loomis, Sayles, the Northern Trust R2000 Small Cap Growth Index Fund and WCM Investment Management to pay for benefits and expenses.

ROLL CALL:

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

**REPORTS**

**Personnel & Administration Committee**

**Medical Loss Ratio Rebate 2019**

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

Both committees are recommending that the Board would approve that 20% of the medical loss ratio rebate be refunded to employees which is Item B under New Business.

Proposed 2021 Board Meeting Schedule

Miss Munson reported that both committees reviewed the proposed 2021 Meeting Calendar and there were slight changes which will be covered under the Executive Director Report.

Uniform Actuarial Assumptions – 2021: Informational Only

Miss Munson reported that both committees received the Uniform Actuarial Assumptions report draft that the Michigan Treasury Department has put out for 2021.

Contemplated Ordinance Revision RE: Board Officer Elections

Miss Munson reported that both committees decided to table this matter.

**Finance Committee**

Directed Brokerage and Commission Recapture Policy

The committee received presentations from Matarin and Sawgrass to get information on DBCRP which is in the process of being revised. This matter is still pending.

Small Cap Growth Search

The committee tabled this matter.

Principal Real Estate Account Structure Change

Miss Munson reported that the committee reviewed the notice under New Business from Principal Real Estate regarding an account structure change and is recommending it for approval.

Benefit Payments Audit

The committee is recommending Board approval for Jane Arndt to conduct the benefit payments audit according to the procedures described in the memo. This is an item under Unfinished Business.

**Trustees**

Trustee Patrice Waterman reported that the City Council passed the GERS Termination Ordinance with March 31, 2021 as the termination date at their meeting held on October 27, 2020.

Correspondence with City RE: Experience Study

Trustee Moore asked for an update on the experience study matter. He stated that the finance committee received an update and suggested that the information be shared with the full Board.

Miss Munson reminded the Trustees that the City had approached the Board to request that the actuary perform an experience study. The information was forwarded to Gabriel, Roeder & Smith and the work is in process. On September 30, 2020, the actuary sent an email indicating that they would like to enter into an actuarial services agreement with the City directly which would cover the work they are doing on the experience study as well as the Form 5572 data. The request was sent to the City but the City has not

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

yet signed the agreement. The actuary was clear in the email that they will not release their work products until the agreement is signed. It was anticipated that the experience study would be presented at the Board's December meeting, but that may not happen depending on what occurs with the services agreement.

Chairman Albritton asked if there is a time frame in place for the City to respond and what is the next step.

Miss Munson responded that the actuary contacted her on October 23, 2020 to know when they could expect to receive the actuarial services agreement from the City. Miss Munson reviewed the email correspondence with the City with the Trustees. She reported that the City has not yet responded.

Trustee Moore stated that this matter was discussed at both committee meetings and that the experience study, in terms of the System itself, is not required until 2022. This might be the time for the Board to at least indicate to the City that this is the case, that it is not required of the System until 2022 and - if the experience study is going to be done now - then it would be a legitimate expense for the City. It would be a prudent step to take to let them know in writing that this is not something that the System is prepared to undertake at this point because it is not required.

Chairman Albritton concurred that the System is not required to conduct an experience study until 2022, and if the Mayor does not sign off on the services agreement, the System is not going to pay for the experience study. He solicited input from the other Trustees.

Ms. Billings-Dunn stated that this was brought up at last Board meeting and that this was being done at the request of the City for the purpose of terminating the fund, which is a settlor function.

Trustee Swazer referenced the email communications with the City and suggested that a two-week time limit be given for the City to respond. If the City does not respond within that timeframe, then the Board should notify GRS to cease work on the experience study.

Trustee Moore stated that the reason that this information is at the actuary right now is because the Mayor agreed to pay for it. He also stated that - according to the policy - it would not even be at the actuary if there were no prior authorization from the requesting party to pay for it. He confirmed that the cost for the experience study is \$16,500.

There was additional discussion about the obligation of the requesting party to pay the costs and the timeframe for a response from the City with respect to this matter.

Chairman Albritton directed the Executive Director to send a letter to the Mayor requesting that the City respond to the actuary's request for a signed actuarial services agreement and include a two-week timeframe for a response. If the Mayor's response is not received within that timeframe, the actuary will be directed to cease work on the experience study. He further directed that the City Council be copied on the correspondence.

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

Miss Munson reminded the Trustees that Ms. Kopacz explicitly stated at the September Board meeting that the experience study was not something the IRS required in connection with the GERS Termination/Reestablished GERS approval process.

Trustee Swazer noted that Gabriel, Roeder & Smith is expending their staff's time and resources to do this work, and that should be stopped so they do not incur expenses for which they will not be paid.

Ms. Billings-Dunn stated that she believes that the reason the City requested an experience study is so that they can ensure when they actually calculate the liabilities on the termination date, that they are using the most accurate actuarial assumptions that are available: it has nothing to do with getting the approval of the IRS. This is so that when they determine the liabilities of the System on March 31, 2021, they are using the most accurate assumptions. She explained that this would be a settlor function and not a fiduciary function and should be paid by the City because the System is not required to have experience study under state law until 2022 which is after the termination date of this plan.

There was a general consensus among the Trustees that a letter should be sent to the Mayor outlining a timeframe for a response.

Chairman Albritton suggested to use November 9, 2020 as the deadline and confirmed that the actuary will be instructed to cease work if no response is received by then.

**EXECUTIVE DIRECTOR REPORT**

Proposed 2021 Board Meeting Calendar

Miss Munson reported that the personnel committee suggested to reschedule the Board Meeting from June 30, 2021 to June 23, 2021. She also reported that for the end of the year meeting, the personnel committee suggested to move the meeting up to Thursday prior to Thanksgiving.

GrayCo Alternative Partners I Unaudited Financial Statements: Q2 2020 **CONFIDENTIAL**

This is for the Trustees' information.

Correspondence with City

Miss Munson reported that the City Council adopted the Ordinance which includes March 31, 2021 as the termination date for the GERS. She also reported that she forwarded to the Council the memo outlining the differences between the Reestablished GERS Ordinance which was submitted to the IRS and the one which had been recommended by the Board to the Council.

Uniform Actuarial Assumptions 2021

This if for the Trustees' information.

Annual Meeting 2020

Miss Munson reported that "Save the Date" postcards were mailed out on October 9, 2020 and the invitations will be mailed out on November 9, 2020.

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

Insurance Renewal

Miss Munson reported that the crime insurance will auto renew this year and this item will be presented for approval next month. She also reported that the renewal application for the fiduciary liability insurance was sent to the agent.

New Finance Director

Miss Munson reported that she notified the Mayor that the new finance director is required to take his oath of the office within ten days and the Mayor responded that he is moving forward to be sworn in this week.

Disability Annual Procedures Report

This is for the Trustees' information.

Asset Transition Update: No Report

**UNFINISHED BUSINESS**

**RE: Resolution to Approve Benefits Payments Audit Procedure**

Miss Munson reported that 25% of the total number of retirees, which is 272, which will be audited to include all type types of options and all types of beneficiaries. The estimated time for this audit is approximately 45 hours.

**RESOLUTION 20-133** By Moore, Supported by Miriani

**Resolved**, That the Board approves the finance committee's recommendation that the Benefits Payments Audit be conducted by Jane Arndt following the procedures outlined in the BPA memo dated September 10, 2020.

ROLL CALL:

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

**NEW BUSINESS**

**RE: Resolution to Approve Principal Account Structure Change**

Mr. Roth explained that this resolution is to change the structure for the Principal core real estate fund. Dahab has seen this before with another investment which had a similar structure and they made a similar change about 5 years ago and have had no issues to-date. He explained that the current fund structure only allows qualified investors such as pension or retirement plans to invest. Principle is looking to expand their potential investor base in order to grow the fund, so they need to change the fund structure to allow



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

non-qualified investors in. What they are proposing and asking for permission to do is to adjust the fund structure to create two funds – one based on IRS regulations - to allow other investors in. GERS will remain invested in 100% of the fund. He explained that there is no change for the qualified investors. For GERS, fees, portfolio structure, managers and liquidity will not change.

Trustee Moore noted that the finance committee is recommending that the Board would approve this.

**RESOLUTION 20-134** By Moore, Supported by Miriani

Resolved, That the Board approves the Principal Real Estate account structure change and authorizes the Chairman's signature on any required documents.

ROLL CALL:

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

**RE: Resolution to Approve 2019 Medical Loss Ratio Premium Reduction**

Miss Munson reported that the system received a check for \$1,387.35 and - because employees pay 20% of the premium - \$277.47 will be returned to employees to offset their 2021 medical premium.

**RESOLUTION 20-135** By Moore, Supported by Swazer

**Resolved**, That the Board approves the refund of 20% of the 2019 premium rebate to employees effective January 1, 2020.

ROLL CALL:

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

**RE: Resolution to Approve the Request from Robinson Capital**

Mr. Roth reported that Robinson Capital contacted the System yesterday regarding a security they hold which is 0.5% of the portfolio, and that it was downgraded from investment grade which is BBB to below investment grade, BB. He explained that - based on the policy and guidelines - money managers are requested notify us of the downgrade and sell the security within 45 days. Robinson reported that there is not a lot of liquidity in this particular security and it would be difficult to sell within this timeframe, and they are requesting an extension of that timeframe. He explained that there is no date on the request, but Robinson said they will update the Board on a quarterly basis. They are going to put it out for sale and hopefully they will find a buyer at a decent price. He stated that he is comfortable granting the extension with monitoring on a quarterly basis rather than selling it at a steep discount.

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

**RESOLUTION 20-136** By P. Waterman, Supported by Swazer

**Resolved**, That the Board approves Robinson Capital's request for and IPS waiver and to extend the timeframe of selling the security which was downgraded.

ROLL CALL:

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

**LEGAL REPORT**

Michigan Public Act 228 of 2020

Ms. Billings-Dunn reported that on October 2, 2020 the Michigan Supreme Court ruled that the Governor's executive orders were unconstitutional and/or expired under Michigan law and that the legislature immediately went to work and passed Public Act 228 with an effective date of October 16, 2020. She explained that Public Act 228 specifically allows for remote meetings retro-active to March 18, 2020 and effective January 1, 2021 through December 31, 2021, remote meetings will only be permissible for three reasons; military duty, medical condition or a state of emergency such as a pandemic. Public Act 228 specifically provides that after December 31, 2021, remote meetings can only be held to accommodate members absent for military duty and only members absent for military duty can participate remotely.

Ms. Billings-Dunn stated that the lobbyists for MAPERS has advised her that they are working to introduce a new bill. They hope to make online public meetings allowable under the Open Meetings Act.

Ms. Billings-Dunn explained that for now the System may continue to have remote meetings as long as there is still a pandemic. The Act requires at the beginning of the meeting during roll call that trustees announce that they are participating remotely and identify the city or township, the state, and the county of their physical presence. The Act also requires electronic meeting notices be posted on the website at least 18 hours before the start of the meeting and the agenda should be posted at least 2 hours before the meeting.

Trustee White asked if there are any stipulations or medical conditions that are accepted and not accepted.

Ms. Billings-Dunn responded that medical condition is defined in the Act as an illness, an injury, disability or other health related condition.

Trustee Moore requested a copy of the bill.

COVID-19 Emergency Rules Issued by Michigan Occupational Safety & Health Administration

Ms. Billings-Dunn explained Emergency Rules related to COVID-19 issued by MIOSHA.

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

Fiduciary Insurance Application Questions/Answers

Correspondence for the Trustees' information.

Flye Eligible Domestic Relations Order

Correspondence for the Trustees' information.

Erica Robertson Restitution

Correspondence for the Trustees' information.

Robbins Geller September 2020 Portfolio Monitoring Report

Correspondence for the Trustees' information.

**RE: Resolution to approve the Closed Session Minutes from Previous Meeting**

**RESOLUTION 20-137** By Moore, Supported by P. Waterman

**Resolved**, That the Board approves the Closed Session Minutes from previous meeting.

ROLL CALL:

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

*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).*

*There was no closed session.*

Trustee Moore announced that the new VEBA meeting (virtual) is on Friday, October 30 at 9 AM.

**SCHEDULING OF NEXT MEETING/ADJOURNMENT**

**Regular Meeting: Wednesday, December 2, 2020 9:00 a.m. – Retirement Office**

**Annual Meeting: Thursday, December 3, 2020 10:00 a.m. - Virtual**

**RESOLUTION 20-138** By P. Waterman, Supported by Moore

**Resolved**, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 11:37 a.m.

ROLL CALL:

Albritton – Yes	Walker – Yes
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**CITY OF PONTIAC MICHIGAN  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING**

Giddings – Yes  
Miriani – Yes  
Moore – Yes  
Swazer – Yes

P. Waterman – Yes  
White – Yes

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on October 28, 2020.

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