

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

A regular meeting of the Board of Trustees was held on Wednesday, April 28, 2021 via remote conference. The meeting was called to order at 9:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair – Auburn Hills, Oakland County, Michigan
Darin Carrington, Secretary (electronically) – Pontiac, Oakland County, Michigan
Robert Giddings, Vice-Chair – Auburn Hills, Oakland County, Michigan
James Miriani (electronically) – Oakland Township, Oakland County, Michigan
Walter Moore (electronically) – Lantana, Denton County, Texas
Billie Swazer – Auburn Hills, Oakland County, Michigan
James Walker (electronically) – Pontiac, Oakland County, Michigan
Deirdre Waterman, Mayor (electronically) *arr 9:04 AM* – Pontiac, Oakland County, Michigan
Patrice Waterman, City Council (electronically) – Pontiac, Oakland County, Michigan
John White (electronically) – Pontiac, Oakland County, Michigan

TRUSTEES ABSENT

Samantha Powell

OTHERS

Joseph Beauparlant, Loomis, Sayles & Co (electronically)
Louise Gate, Gabriel, Roeder, Smith & Co. (electronically)
Martin LaPrade, Sawgrass Asset Management (electronically)
Brian Monroe, Sawgrass Asset Management (electronically)
Jeffrey Schwartz, Loomis, Sayles & Co (electronically)
Phillip Brown, City Videographer (electronically)
James Steffes, MAPE 50th District Court (electronically)
Linda Watson, Retiree (electronically)
Cynthia Billings-Dunn, Asher Kelly (electronically)
David Lee, Dahab Associates (electronically)
Steven Roth, Dahab Associates (electronically)
Mizuki Kanno, Executive Assistant
Deborah Munson, Executive Director

PUBLIC COMMENT

Linda Watson thanked Trustee Patrice Waterman for excellent service in representing her district. She also inquired about Trustee Powell.

MANAGER PRESENTATIONS

Loomis, Sayles & Co: Joseph Beauparlant; Jeffrey Schwartz

Mr. Beauparlant introduced himself and Mr. Schwartz to the Board and they discussed their firm, strategy, and performance.

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Sawgrass Asset Management: Martin LaPrade; Brian Monroe

Mr. Monroe introduced himself and Mr. LaPrade to the Board and they discussed their firm, strategy, and performance.

2020 VALUATION REPORT DRAFT PRESENTATION

Louise Gates – Gabriel, Roeder, Smith & Co.

Ms. Gates began the report by stating that this presentation is as of December 31, 2020 which is the date when the calculations were done. She reviewed the determination of the City contributions for 2022/2023 budget year referenced on page A-1. She stated that the contribution continues to be zero and is consistent with last several years. This is because the value of assets held in trust exceeds the value of liabilities on the books of the System. She said that the value of liabilities is the value in today's dollars of benefit payments that have been promised to everyone in the Plan. She said that this report reflects the changes in assumptions adopted by the Board at the February meeting and the impact of the changes is consistent with experience study report. It also reflects the extension of the \$400 stipend through August 2021.

Ms. Gates pointed out that there were two things that are noteworthy for calendar year 2020. The first thing would be the investment performance which was better than long-term expectations. She said that the fund returned almost 13% net of expenses on a market value basis. The second thing is that the number of retiree deaths was higher in 2020 than what was anticipated by actuarial assumptions, which had a favorable financial impact even though it had a sad social or personal impact. She reported that there were about twice as many deaths as what was projected. She explained that it had a favorable financial impact because liabilities associated with future benefits for these retirees were extinguished. She stated that there were similar trends in large retirement systems such as the Public School's Retirement System and the State Employees' Retirement System.

Ms. Gates moved on to page C-3 which is a summary of pension plan's assets for calendar year 2020. She explained that there was over \$512M in assets at the beginning of 2020, and the System generated over \$65M in investment income and paid out over \$27M in pension payments, stipend payments. The System had administrative expenses of ~\$678K. She said that the System had almost \$550M in assets held in trust as of the last day of the calendar year and the last day of the plan year which means the assets of the plan grew by about \$37M.

Chairman Albritton asked if any comparison was done for the pandemic impact, and if there is anything put in place to offset the pandemic impact as the valuation is done moving into 2021.

Ms. Gates responded that it was expected that about 30 retirees would die in 2020 based on estimates of life expectancy, and there were 65 deaths reported which is over twice as many deaths. She said she did not look at the impact from the pandemic on pension payments. She explained that it would not have a huge impact on the ending market value because these deaths were staggered throughout the year, so they were getting some pension payments during the year, and some of them had survivors. She explained that the purpose of experience study is to come up with assumptions that are consistent with what is expected in the normal course beyond the pandemic. She also explained that she did not include

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any specific provision for additional deaths because if more people die, it actually has a favorable financial impact on the System. She stated that overall, from a financial perspective, it was a very good year for the System.

Ms. Gates reviewed the bottom of page C-3 which shows how the assets were invested as of December 31, 2020.

Ms. Gates reviewed page C-4 which is a summary of the development of funding value of assets (smoothed asset value). She stated that the purpose of this is to smooth out the market volatility in the assets,. She explained that it affects things like the historical measurement of the System's funding percent and the contribution development. She pointed out that the smoothed asset value at the end of the year 2020 (item J) is almost \$508M which is lower than the market value at the end of the year (item B). She explained that this is because when assets are smoothed out, it is mostly favorable experience so some of the gains are held back, and it deflates the smoothed value of assets.

Ms. Gates explained that it does not really matter if the market value or funding value of assets is used for this period in terms of its impact on the contribution because the result is still zero. She stated that this may become more important going forward as assets are moved out of the System and the margins or the surplus becomes smaller.

Trustee Moore stated that none of the percentages mentioned on A-2 is listed on page B-2. He asked what the significance of these various percentages is, and which number to use for the overfunded percentage for the System.

Ms. Gates responded that the smoothed value of assets is generally used for the purpose of this report. She explained that market value is not particularly meaningful because it fluctuates so much that it is not possible to discern historical trends or get a good sense of what is happening in the System. She also explained that the funding percent is a metric used to describe the financial strength of the System. A funded ratio of 177% means that for every dollar liability, there is \$1.77 in assets which is a very strong funding percent. She stated that the reason why the smoothed value of assets is lower than the market value on page C-4 is the byproduct of the smoothing method. She explained that there were investment gains in 2020, 2019 and 2017 and losses in 2018, so overall, there were more gains than losses, however the smoothing method holds some of the gains back because it is releasing them over a 5-year period in order to smooth out market fluctuations. She stated that in terms of Trustee Moore's question regarding how to measure the surplus or which asset value to use for the purpose of the asset transfer, it would be a decision that the City or the Board would have to make.

Ms. Billings-Dunn confirmed that a decision needs to be made regarding the asset transfer on whether the funding value incorporates the smoothed value to be used or the market value.

Trustee Moore asked if that would be a significant difference.

Ms. Gates responded that it would. She referenced page E-1 which shows a brief history of smoothed value of assets. She explained that with the funding percent of 176.8%, the surplus would be over \$220M

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shown at the bottom of the chart. If the market value of assets is used for this, the surplus of \$220M would grow to \$262M, so the difference would be over \$40M.

Trustee Swazer asked if the unfunded accrued liability is same as 130% of liabilities.

Ms. Gates explained that the unfunded accrued liability is simply the difference between two numbers and that 130% of \$287M liabilities is about \$373M which would have to remain in trust.

Trustee Moore stated that he would imagine that decision should be made right away in terms of which value to use. He asked if there are some actuarial or legal requirements as it relates to that because it seems that decision would have to be made by the City or the Board. He also asked what if the City and the Board do not agree.

Ms. Gates responded that she could go back and look at the settlement agreement and the City Ordinance to see if there is better guidance. She explained the two documents are not perfectly consistent in all regards, but she could go back and see if there is a clarification. She also stated that the list of issues for review by decision makers has been distributed.

Ms. Billings-Dunn asked if the calculation of 130% of the liability being approximately \$337M is based on the funding value or the market value, or if that has anything to do with the liability calculation.

Ms. Gates responded that 130% of the liabilities does not consider asset values.

Ms. Billings-Dunn asked if 130% of the liabilities are being transferred, what difference does it make between the funding value and the market value of assets.

Ms. Gates responded that the difference would be where it ends up when all said and done. She also mentioned that the other question or issue she does not have access to would be whether the settlement agreement and the City Ordinance are consistent in their description. She stated that she needs some clarification with respect to the description of what liabilities/obligations are. If the documents are consistent and both say 130% of liabilities, then it may not be an issue. When all is said and done and the System will be 130% funded, then the question would become on what basis, on a market value basis or funding value basis.

Trustee Moore asked if Ms. Gates is getting answers that she needs.

Ms. Gates responded that she has one answer from Ms. Billings-Dunn. There was an issue related to people that were terminated from the City employment before March 31, 2021, and whether those people were required to be vested to have a benefit in the plan. That issue was addressed. The answer was no, they do not have a right to a benefit.

Ms. Billings-Dunn said that was her opinion.

Chairman Albritton stated that it is not possible to answer all those questions in this meeting and determined to make sure that definitive answers are given within next couple of weeks. He requested

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that Ms. Billings-Dunn, Ms. Gates and Miss Munson make sure that the Board has access to the questions and the answers so that everyone is on the same page.

Trustee Deirdre Waterman stated that the City and CPREA attorneys have arranged time to get together to figure out how to answer to the questions related to an interpretation of the settlement agreement.

Chairman Albritton suggested that a special meeting be scheduled to focus on the questions and the answers. He requested to have the special meeting two weeks prior to the next Board meeting.

AGENDA CHANGES

Miss Munson requested to amend the Consent Agenda to add the retiree payroll amount of \$1,983,431.90.

RESOLUTION 21-026 By Moore, Supported by P. Waterman

Resolved, That the Board approves to amend the Consent Agenda to add retiree payroll amount of \$1,983,431.90.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held on March 31, 2021.

B. Ratification of Retiree Payroll & Staff Payroll

| | |
|---------------------------------|-----------------------|
| Retiree Pay Date April 28, 2021 | \$1,983,431.90 |
|---------------------------------|-----------------------|

| | |
|------------------------------------|--------------------|
| Staff Pay Dates April 8 & 22, 2021 | \$21,647.01 |
|------------------------------------|--------------------|

C. Communications

- Correspondence from Loomis, Sayles RE: Sherba Retirement
- Correspondence from UBS Realty RE: Head of ESG Investment Strategies
- Correspondence from Xponance RE: Strategic Partnership

D. Financial Reports

- Accounts Payable: April 2021

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- Dahab Associates Preliminary Report & Asset Level: March 2021
- Attucks Manager-of-Managers Summary: March 2021
- Statement of Changes: March 2021

E. Private Equity Capital Calls & Distributions

- Mesirow Fund IV Distribution: March 29, 2021 \$165,000
- Mesirow Fund VI Capital Call: March 29, 2021 \$45,000
- Mesirow Fund VI Distribution: March 29, 2021 \$150,000
- TerraCap Fund V Capital Call: April 22, 2021 \$3,229,329.07

F. Retirement Benefits

1. New Retirements

| RETNO | NAME | Effective Date | Amount |
|-------|--------------------|----------------|--------|
| 2916 | Whiters, Marcus | 05/01/2021 | |
| 2919 | Knorr, Teresa | 05/01/2021 | |
| 2920 | Hatchett, Franklin | 04/01/2021 | |

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

| RETNO | NAME | Date of Death | Benefit Amount |
|-------|------|---------------|----------------|
|-------|------|---------------|----------------|

3. J&S Continued Retirements

| RETNO | Retiree's Name | Survivor's Name | Date of Death | Amount |
|-------|----------------|-----------------|---------------|--------|
|-------|----------------|-----------------|---------------|--------|

4. Re-calculated Retirements

| RETNO | Member's Name | Reason for Change | Effective Date | New Amount |
|-------|--------------------|-------------------|----------------|------------|
| 2916 | Whiters, Marcus | Final | 05/01/2021 | |
| 2920 | Hatchett, Franklin | Final | 04/01/2021 | |

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 |
|-------|---------------|--------|--------|
|-------|---------------|--------|--------|

RESOLUTION 21-027 By Moore, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for April 28, 2021.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

CONSULTANTS

Report: Portfolio Holdings in Georgia-based Companies

Mr. Roth reviewed the report which was updated as of March 31, 2021. He explained that Pontiac GERS portfolio has about \$12.1M invested in both fixed income and equity of companies that are headquartered in Georgia which is about 2% of the portfolio. He pointed out that Home Depot is the largest holding which is 0.44% of the portfolio.

Trustee Deirdre Waterman thanked the consultant for preparing the report and recommended to accept this report and keep this matter under watch here in Michigan as well.

RE: Resolution to Receive and File Intercontinental 18th Amendment

Mr. Roth reported that Intercontinental sent an updated amendment for their limited partnership agreement. He explained that they are adding an additional tier for clients that invest over \$200M, and that GERS portfolio is well below \$200M threshold, a.

Chairman Albritton asked for clarification that this does not affect the System at all.

Mr. Roth responded that it has been sent to all investors, but it does not affect the GERS.

RESOLUTION 21-028 By Moore, Supported by Swazer

Resolved, That the Board approves to receive and file the Eighteenth Amendment to the LLC of U.S. Real Estate Investment Fund, LLC.

ROLL CALL:

| | |
|------------------|--------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |

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|----------------|-------------------|
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

RE: Resolution to Approve Periodic Rebalancing

RESOLUTION 21-029 By P. Waterman, Supported by Moore

Resolved, That the Board that the Board approves the Consultant's recommendation to rebalance the portfolio by transferring \$3,250,000.00 from Xponance and \$2M each from Loomis, Sayles, Kennedy Capital and NT Small Cap Index to the cash manager to pay for benefits and expenses.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

RE: Resolution to Ratify Chairman's Signature – UBS Realty Regulatory Conversion & Proxy

Mr. Roth stated that this is a proxy that was sent out by Trumbull Property Growth & Income Fund which is one of the real estate funds managed by UBS. He explained that the parent company, UBS is a Swiss bank, and due to bank regulatory language the fund had to be set up with a finite life which was due to end on June 22, 2021. He continued that the fund is considered an open-ended fund, so there is no end of life. Due to the regulatory environment, UBS has to transfer ownership from UBS AG, the Swiss bank to another holding company based within the US which is Trumbull Property Growth & Income GP Trust so they can continue with the open-ended structure of a fund. He explained that the proxy vote was sent out, and it was reviewed by Dahab and Ms. Billings-Dunn and both thought the language was fine. He stated that it had to be signed prior to the Board meeting, and this resolution is to ratify the Chairman's signature.

RESOLUTION 21-030 By Moore, Supported by Swazer

Resolved, That the Board ratifies the Chairman's signature on the UBS Realty Limited Partner Proxy.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

RE: Resolution to Remove Kennedy from Watch

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Mr. Roth stated that Kennedy was put on watch back in October-November 2020 timeframe. He explained that this was due to one of their clients moving assets out of the small cap core strategy but the client remained with Kennedy. The assets in the small cap core strategy went down from about \$170M to \$70M which constituted a material change in assets, therefore they were put on watch. He stated that there has been no change since then and is recommending removing them from watch.

RESOLUTION 21-031 By Moore, Supported by D. Waterman

Resolved, That the Board approves to remove Kennedy Capital from Watch, per the recommendation of the Consultant.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

Sawgrass Asset Management

Mr. Roth reported that there was some change in personnel at Sawgrass and that their performance has been lagging the benchmark. He recommended to put Sawgrass on watch based on the personnel changes and performance.

RESOLUTION 21-032 By Swazer, Supported by Moore

Resolved, That the Board approves the Consultant's recommendation to put Sawgrass Asset Management on watch for two quarters.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

Preliminary Performance:

Mr. Roth presented Performance Report as of March 31, 2021. As of April 26, 2021, the portfolio was valued at \$590.8M.

REPORTS

Personnel & Administration Committee

Klobucar Beneficiary Determination

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Miss Munson reported that deferred member, Margaret Klobucar, passed away in January and she has a contribution balance. She stated that the member's personal representative has been located and the refund will be processed next month.

Monthly Disability Annual Procedures Report

Miss Munson reported that there is a member who will be converted to an age & service pension when he turns 65 next year, and a notice is going out to him this week.

Phillip Moore Retirement

Miss Munson reported that both committees reviewed Phillip Moore's retirement notice and recommended to post his position.

Chairman Albritton asked where the job will be posted.

Miss Munson responded that the job will be posted on Indeed, MAPERS, and Michigan Municipal League.

Trustee Moore requested that the position also be posted with NASP.

Reliance Standard Life Insurance Policy

Miss Munson reported that both committees reviewed the Reliance Standard Life Insurance Policy request for Ms. Kanno and that the majority of the finance committee was prepared to recommend it for approval, however there may be discussion about that under New Business.

Valuation 2020 Draft Report

Miss Munson reported that both committees reviewed the draft report.

Related Parties Questionnaire

Miss Munson reported that both committees reviewed the questionnaire sent out to Trustees. She requested that Trustees to return it at their earliest convenience.

Option II Beneficiary Nomination Exception Request

Miss Munson reported that both committees reviewed the request for an exception for the Option II beneficiary selection which is an item under New Business and that both committees are recommending for approval.

Reciprocal Retirement Act Question for Valuation Legal Opinion

Miss Munson reported that both committees reviewed the legal opinion and the correspondence from the actuary regarding the Reciprocal Retirement Act benefit which was an item in the legal report last month. She explained that the attorney was asked three questions about current employees. The first question is whether the Board has the authority to readmit them to the System, and the answer is no. The second question is whether the service credit that they are currently earning may be recognized as Reciprocal Retirement Act service credit, and the answer is yes. The third question is regarding employees who left the City who have not yet come back to the City for a reciprocal retirement benefit but may come back sometime in the future. She explained that this question was asked of the actuary and 15 years of data of former employees who left the City with less than 10 years of service was provided. The actuary's

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analysis determined that the 6% liability load included in the valuation for December 31, 2020 should be sufficient to cover any potential future Reciprocal Retirement Act benefit.

GRS Questions to City RE: GERS Termination Valuation

Miss Munson referenced the outstanding questions regarding the termination valuation from the actuary which must be addressed. The personnel committee recommended to add this as an item under New Business and forward the questions to the VEBA Board and the City Council to ensure everyone is on the same page.

Finance Committee

Asset Transition Monthly Update

Miss Munson reported that the finance committee received the report.

Trustees

Trustee Swazer gave recognition to Miss Munson for locating Franklin Hatchett to make sure that he applied for retirement.

Trustee Deirdre Waterman reported that she reached out to the Ottawa Towers managers and they are ready to do a walk-through. She also stated that they are offering to give preference to municipalities. She also stated that – as preparations are made for the establishment of retiree healthcare and termination of the temporary pension benefit - she is going to propose permanent increase of pension amount to the City Council. The meeting for presenting this proposal to the Council will be scheduled for end of May.

Trustee Patrice Waterman suggested that Trustee Deirdre Waterman bring this to Council finance committee first to make sure all the numbers are reviewed closely before bringing to the Council.

GERS Transition Update Reports

This is for Trustees' information.

Chairman

Chairman Albritton thanked Dahab for putting out the report about companies in the state of Georgia. He stated that it is necessary to understand what is going on in Michigan. He suggested to send letters to the companies in which the System is invested to notify them that they are under watch based on their actions concerning these new voting laws.

EXECUTIVE DIRECTOR REPORT

Notice to Retirees of Scheduled Expiration of \$400 Temporary Benefit

Miss Munson reported that the notice will be mailed on April 30, 2021.

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Correspondence with City

This is for Trustees' information.

Updated Unaudited Financial Statements

Miss Munson reported that the statements were sent to the actuary on April 6, 2021. She explained that the numbers in the valuation report are the same numbers reported to the auditors, which was sent on April 5, 2021. The audit will be virtual, and the process will begin next week.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

RE: Resolution to Approve Electronic Meeting Policy

Miss Munson requested that the Board table this matter since the legal opinion on the draft has not been received.

RESOLUTION 21-033 By Moore, Supported by Swazer

Resolved, That the Board tables to approve Electronic Meeting Policy.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

RE: Resolution to Approve Option II Beneficiary Designation

RESOLUTION 21-034 By Moore, Supported by Swazer

Resolved, That the Board approves the Personnel & Administration Committee's recommendation to approve the Option II beneficiary designation submitted by Deborah Munson.

ROLL CALL:

| | |
|------------------|-------------------|
| Albritton – Yes | Swazer – Yes |
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | D. Waterman – Yes |
| Miriani – Yes | P. Waterman – Yes |
| Moore – Yes | White – Yes |

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RE: Resolution to Approve Life Insurance Policy

Miss Munson stated that the personnel committee did not offer life insurance as part of the former executive assistant's employment package and Reliance Standard had excluded her from the policy. However, when the System applied to exclude Ms. Kanno from the life insurance, the carrier responded that the System's group is too small to exclude any employees and doing so for the former employee was a mistake. Reliance added Ms. Kanno with a minimum \$50,000 policy the cost of which is \$10 per month. She noted that this was discussed at both committees, and the recommendation from the majority of the finance was that the System would pay for the \$10 premium per month to continue this policy for the executive assistant.

Chairman Albritton suggested to table this matter until the personnel committee and finance committee could come up with defined language with a cutoff as far as how much the System would pay not only for the executive assistant but anyone else under this life insurance policy.

Trustee Swazer supported to table this matter and go back to personnel committee.

Trustee Giddings asked if it is possible to approve that the System picks up the \$10 cost and puts the issues Chairman is addressing on the agenda because the executive assistant has to cover it otherwise.

RESOLUTION 21-035 By Moore, Supported by Swazer

Resolved, That the Board approves to continue to pay the cost of \$10 per month and to refer this issue back to both committees for further direction to come up with defined language for how much the System is going to pay.

ROLL CALL:

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

RE: Resolution to Post Finance Officer Position

Miss Munson reported that the position will be posted on Indeed, MAPERS, MGFOA, MML and NASP.

RESOLUTION 21-036 By P. Waterman, Supported by Swazer

Resolved, That the Board approves the Personnel & Administration Committee's recommendation to post the Finance Officer position to MAPERS, MGFOA, MML, NASP and Indeed.com websites.

ROLL CALL:

| | |
|-----------------|--------------|
| Albritton – Yes | Swazer – Yes |
|-----------------|--------------|

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| | |
|------------------|-------------------|
| Carrington – Yes | Walker – Yes |
| Giddings – Yes | P. Waterman – Yes |
| Miriani – Yes | White – Yes |
| Moore – Yes | |

RE: Resolution to Forward GERS Termination Outstanding Questions

Miss Munson reported that there are outstanding questions from the actuary to the City which have not been responded to. She also reported that there is also a question from the auditors about whether there is any item the IRS is requiring for Match 31, 2021 termination valuation. She stated that the personnel committee is recommending that the Board would approve to send both outstanding requests to the City Council as well as to the VEBA Board.

RESOLUTION 21-037 By Swazer, Supported by Moore

Resolved, That the Board approves the Personnel & Administration Committee's recommendation to forward the GERS Termination Valuation and Audit outstanding questions to the City Council and the VEBA Board.

ROLL CALL:

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

LEGAL REPORT

Electronic Meetings Due to Local Emergency

Ms. Billings-Dunn stated that the Mayor's state of emergency is sufficient to authorize the Retirement System to conduct its meetings remotely. She also reported that the Open Meetings Act and all the pending bills on Michigan Legislature's website still refer to March 31, 2021 date. She stated that because the System is operating under the Mayor's declaration of emergency, there is no issue of continuing to hold remote meetings.

Eighteenth Amendment to Limited Liability Company Agreement of US Real Estate Investment Fund, LLC

Ms. Billings-Dunn reported that this item has already been discussed.

Legal Opinion regarding Vesting Requirements for Former Employees

Ms. Billings-Dunn reported that she found the Sixth Circuit opinion which is the circuit that governs this jurisdiction. She explained that essentially based on the Sixth Circuit opinion (which actually affirmed an opinion by Judge Cohn where he looked at a similar situation back in 1991). She stated that it is her opinion that the System is not required to vest former employees who terminated their employment without being vested prior to the actual termination date of the System which is March 31, 2021.

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

Deceased Member Margaret Klobucar Beneficiary

Ms. Billings-Dunn reported that it is her understanding that the Retirement Office has been provided information relative to the personal representative of Ms. Klobucar's estate and that the money will be released to the estate.

The Following Investment Management Documents Have Been Completed for the Transition to the City of Pontiac Reestablished General Employees' Retirement System

Ms. Billings-Dunn reported that all managers except for three have either sent all the documentation or at least reached out to inform that they are working with their compliance. The three who have not communicated at all are Intercontinental, TerraCap and Consequence. She stated that she sent a couple of requests out to continue to push them to respond. She explained that the System cannot execute these documents or insert an effective date until the date that the assets are going to be transferred is determined. She stated that the goal at this point is to have all these contracts and what is required by the compliance people put into place prior to that date. She said everything is in a very good shape with all the managers' and service providers' contracts except for Intercontinental, TerraCap and Consequence. She requested Mr. Roth and Mr. Lee to help to work with these three managers.

Erica Robertson Restitution

Ms. Billings-Dunn stated that she needs to work with Miss Munson to make sure the numbers match. According to the terms of the settlement agreement, Ms. Robertson is due to complete make her final balloon payment this summer.

Miss Munson stated that the final payment is due in June and Ms. Robertson is behind on her payments more than the 4 payments that she missed last summer.

Ms. Billings-Dunn stated that the last check received was for October 2020, so she has not paid for November 2020 forward, plus for April, May, and June 2020 for COVID. She stated that after matching the numbers with Miss Munson, she will reach out to Clark Hill.

Robbins Geller March 2021 Portfolio Monitoring Report

Correspondence for the Trustees' information.

Trustee Giddings asked Ms. Billings-Dunn if Mr. Dixon is out of prison yet and mentioned that he is supposed to start paying off some of his debts after getting out of prison.

Ms. Billings-Dunn responded that she does not know the answer to that and stated that she will investigate to find out the status of him. If he is out and he has some type of employment, the System can start garnishing his wages.

The Board reserves the right to enter 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 21-038 By Moore, Supported by Miriani

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

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

ROLL CALL:

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

*The Board went into closed session at 12:32 p.m.
The Board returned from closed session at 12:38 p.m.*

RE: Resolution to Approve Closed Session Minutes: NONE

RE: Resolution to Ratify the Chairman's Signature – Intuit

RESOLUTION 21-039 By Moore, Supported by P. Waterman
Resolved, That the Board ratifies the Chairman's signature on the Intuit demand letter.

ROLL CALL:

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

RE: Resolution to Reject the Settlement Offered by Intuit

RESOLUTION 21-040 By Moore, Supported by Swazer
Resolved, That the Board approves to reject the settlement offered by Intuit.

ROLL CALL:

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

RE: Resolution to Ratify the Chairman's Signature – Adobe

RESOLUTION 21-041 By P. Waterman, Supported by Swazer

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

Resolved, That the Board ratifies the Chairman's signature on the Adobe demand letter.

ROLL CALL:

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

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, May 26, 2021 9:00 a.m. – Virtually

RESOLUTION 21-042 By Swazer, Supported by P. Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 12:43 p.m.

ROLL CALL:

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

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on April 28, 2021.

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