

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

A regular meeting of the Board of Trustees was held on Wednesday, April 27, 2022 at City of Pontiac General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 9:10 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Darin Carrington, Secretary
Robert Giddings, Vice-Chair
Tim Greimel, Mayor
Lisa King
William Parker Jr., City Council
Billie Swazer
James Walker (electronically) – Pontiac, Oakland County, Michigan
Patrice Waterman
John White

TRUSTEES ABSENT

James Miriani - excused

OTHERS

Linda Watson, Retiree
Cynthia Billings-Dunn, Asher Kelly
David Lee, Dahab Associates
Steven Roth, Dahab Associates
Mizuki Kanno, Executive Assistant
Deborah Munson, Executive Director

AGENDA CHANGES

Miss Munson requested that the agenda be amended to certify the election results; to approve Trustees and staff attendance at the MAPERS networking event as well as to discuss the escrow account.

Vice-Chair Giddings requested to move item A under Executive Director Report to closed session.

Vice-Chair Giddings suggested that the Board approve an ADA accommodation to allow Trustee Walker to participate remotely.

Whereas, a vacancy occurred on the City of Pontiac General Employees' Retirement System Board of Trustees effective January 26, 2022; and

Whereas, all active, deferred and retired City members of the Retirement System have been given the opportunity to file Candidate Statements for the vacant Trustee term; and

Whereas, six candidates timely filed and were nominated for the Member-Trustee position for an election held on April 25, 2022; and

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Whereas, by its own adopted rules and regulations, the Board of Trustees is required to canvass and certify the results of all Trustee elections; and

Whereas, Trustee Billie Swazer has furnished a statement canvassing the returns of April 25, 2022 at which Patrice Waterman was elected to the position of Member-Trustee;

Resolved, that the Board of Trustees hereby certifies that the candidate listed below, having received the highest number of votes, was elected Member-Trustee for the term beginning April 26, 2022 and ending March 31, 2023:

Certified Elected Trustee

Patrice Waterman

Finally, that the election of April 25, 2022 to the General Employees' Retirement System Member-Trustee position was conducted in accordance with election rules and regulations adopted by the Board.

RESOLUTION 22-011 By Waterman, Supported by Swazer

Resolved, That the Board approves the agenda changes, the ADA accommodation and certification of the election results.

Yeas: 9 – Nays: 0

CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held on March 30, 2022.

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date April 27, 2022	\$1,544,102.38
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Staff Pay Dates April 7 & 21, 2022	\$15,710.16
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C. Communications

- FOIA Request from with.Intelligence: April 1, 2022
- FOIA Request from Steven Schupback: April 18, 2022
- Correspondence from Attucks RE: Lisanti Staff Departure
- Correspondence from First Eagle RE: Napier Park Acquisition

D. Financial Reports

- Accounts Payable: April 2022
- Attucks Manager-of-Manager Summary: March 2022

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- Statement of Changes: February 2022

E. Private Equity Capital Calls & Distributions

- Mesriow Fund IV Distribution: March 29, 2022 \$80,000
- Mesriow Fund VI Distribution: March 29, 2022 \$84,000

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
701501	Barrett, Ella	03/28/2022	
701260	Tipton, Rose	03/04/2022	

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
2696	Luster, William	Luster, Channie	03/22/2022	

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount
1232	Schipper, George	Pop-Up	03/01/2022	
2925	Flye, Bryan/Yolanda	DRO-Alternate Payee	12/1/2021	

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
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RESOLUTION 22-012 By Swazer, Supported by Waterman

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for April 27, 2022.

Yeas: 10 – Nays: 0

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CONSULTANTS

Preliminary Report: March 2022

Mr. Roth reviewed the March 2022 Preliminary Performance Report. He reported that the portfolio was valued at \$475.3M total as of April 25, 2022 of which \$53.2M remains in the old GERS.

REPORTS

Personnel & Administration Committee & Finance Committee

Monthly Disability Annual Procedures Report

Miss Munson reported that both committees reviewed the reported and this matter will be discussed in closed session.

Finance Officer RFP

Miss Munson reported that both committees reviewed the responses received so far to the RFP for outsourced Finance Officer. The Finance Committee also received an in-person presentation by Pension Technology Group. She explained that the proposals are due on May 6, 2022 and that the committees will review the proposals as well as further research the assistance that Pension Technology Group can provide.

GERS By-Laws Amendment RE: Disorderly Conduct at Meetings

Miss Munson reported that the personnel committee reviewed the amendment to the GERS By-Laws and that they are prepared to recommend the additional language for approval at the May 2022 meeting.

Ethics Policy Review

Miss Munson reported that both committees reviewed the Ethics Policy revision and are recommending that the Board would approve the amendment. This is an item under New Business.

Infectious Disease Policy Procedure Update

Miss Munson reported that both committees received the report from staff regarding the Infectious Disease Policy Procedure update and explained that the staff will no longer be required to complete the daily screenings. She added that the temperature check for visitors and all the other protocols will be continued.

Payroll Processing Services Provider Search

Miss Munson reported that the personnel committee received the report from staff requesting to continue with ADP as the payroll processing company for now. She explained that there was an issue with ADP last year due to a change made to their system to accommodate the revised W-4. The change meant that their system could no longer accommodate the withholding options of the W-4P. She reported that the IRS has since updated the W-4P and ADP system's is now compatible with W-4P. She stated that in light of the RFP for Finance Officer and a comprehensive review of the System's platforms, staff requested to continue with ADP until such time as that review has been undertaken.

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Office Renovations

Miss Munson reported that both committees reviewed the office renovations as well as the remaining improvements.

March 31, 2021 Termination Valuation Complete Report

Miss Munson reported that the personnel committee discussed scheduling a special meeting to receive the draft of the results of the 2021 valuation.

GERS Transition Update Reports

Request from VEBA: Surviving Spouses

Miss Munson reported that VEBA Board met last week and they are looking to get the number of surviving spouses to potentially offer them the option of opting out of the health insurance. She explained that because they have \$4M left in the opt-out fund, they are considering allowing surviving spouses to opt out of the health insurance. Per the terms of the settlement agreement, only the retirees could opt out.

Trustee Greimel stated that \$8M was set aside for buyouts and it is odd that the settlement agreement between the City and CPREA ensured that the VEBA would provide health care to both the retirees and their surviving spouses, but only offered the buyout to the retirees themselves and not their surviving spouses. He also stated that roughly half of the \$8M has been utilized and that the remaining amount will either go to buyouts for surviving spouses if that is the course of action that VEBA decides to take, or it will go to the VEBA.

Trustee Waterman asked how many people opted out of the healthcare.

Trustee Carrington stated that approximately 200 retirees received the opt-out payment. He also stated that there were approximately 5 appeals that have been granted and this number may go up to around ten.

Trustee Swazer asked what happens to the surviving spouses who received the health care because they were not able to elect the opt-out payment.

Trustee Greimel responded that - if we go in the direction to allow the surviving spouse to opt-out - he is considering allowing those who opted for insurance to retroactively opt for buyout instead, otherwise it would not be fair. He also stated that there will be some additional retirees who will opt out when they hit the age to be eligible for the health insurance.

Trustee Waterman asked whether there would be some type of offset for surviving spouses who currently have healthcare and choose to select the opt-out.

Vice-Chairman Giddings responded that the premiums that have been paid could be deducted from the opt-out amounts.

Trustee Walker asked why the surviving spouses were not eligible in the beginning.

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Trustee Greimel stated that the City attorneys indicated that the opt-out was brought at the eleventh hour as something some people were pushing for. He also stated that even if all the retirees who have not hit the age 60 were to opt for buyout, there is still a couple of million dollars left over in the buyout fund. The question is whether to spend the money on VEBA or extend the buyout to surviving spouses.

Chairman Albritton asked whether changing the terms of the settlement agreement to allow surviving spouse to opt out has to go to the court.

Trustee Greimel stated that this requires an amendment to the settlement agreement but he is not sure if this has to go to the court. Additionally, any amendment to the settlement agreement would have to be approved by the City Council.

Trustee Greimel responded to Miss Munson's question that early retirees who have not reached voluntary retirement age may choose to opt out at any time between now and the day they would begin getting retiree health insurance which would be age 60.

Chairman Albritton asked how this \$4M has been managed.

Trustee Carrington responded that - because these are a City funds – they are, governed in terms of what types of investment allowed and there are limited options compared to pension fund. He explained that the remaining fund is larger than the existing pool of potential retirees who could opt out and that, even with eligibility expansions being discussed, there are still sufficient funds to cover the potential enlargement of the pool of eligible retirees. He continued that the \$8M was placed in a stand-alone fund and that the only activity is for the opt-outs.

Trustee Waterman asked how many potential eligible members there are.

Miss Munson responded that there is a group of early retirees who are eligible to start collecting pension at the age of 43, and some of them have not reached the voluntary retirement age. She said that there is another group of people who were active employees as of December 2011 who had 10 years of service at that time. This group was part of the discussion held during the VEBA meeting last week. The VEBA Board decided that they are going to include these active members in the VEBA. She stated that here are approximately 40 or less GERS and PFRS members who could potentially qualify.

Trustee Waterman requested Miss Munson to send out the information.

Request to VEBA: Valuation Information

Miss Munson reported that VEBA Board had requested valuation information from GERS, and it was sent to them on March 28, 2022. During the VEBA meeting last week, the Board members stated that they never received it which is why it was re-sent during that meeting.

CPREA Attorney Northern Trust Inquiry

Miss Munson reported that CPREA attorney was looking to have a conversation with the Northern Trust representatives for GERS. She explained that when it comes to GERS custodial account, the Northern

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Trust representatives generally only speak with persons who are Authorized Parties on the account. She let CPREA attorney and Ms. Filler know that she can communicate their questions to the Northern Trust representatives, however the attorney went back to Northern Trust to have the conversation instead of coming back to her.

Trustees: NONE

Chairman

Chairman Albritton talked about a former vendor teaching personal finance at a local middle school, and Mr. Lee and Mr. Roth will be teaching local high school students personal finance in May. He thanked everyone for their support for the community. He also suggested that that the Board hold the investment annual investment manager review at M1 in July.

EXECUTIVE DIRECTOR REPORT

Disability Annual Procedures Report

This will be discussed in closed session.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

RE: Resolution to Approve Ethics Policy Revisions

Miss Munson explained that the policy is amended to read "Trustees cannot attend dinner with vendors unless the entire Board is invited."

Trustee Greimel asked for clarification of the change.

Ms. Billings-Dunn explained that Trustees were only allowed to go to dinner with existing vendors under the old policy.

Trustee Greimel asked if this change would expand the scope of dinners, allowing Trustees to attend dinners with potential vendors in addition to the existing vendors.

Ms. Billings-Dunn responded that it is correct.

Chairman Albritton pointed out that Trustees are allowed to have contact with the potential vendors but are not allowed to discuss the RFP process. He added that the policy is more than 20 years old, and it needs to be reviewed more in detail and revamped at some point.

Trustee Greimel suggested an additional revision to the language.

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Chairman Albritton suggested that the additional revisions be referred back to the committee. He encouraged all the Trustees to read through the policy and communicate any issues so the committee can address them.

There was additional discussion.

RESOLUTION 22-013 By Waterman, Supported by Swazer

Resolved, That the Board approves the amendment to the System's Ethics Policy such that the second paragraph would read "Trustees cannot attend dinners with vendors unless the entire Board is invited."

Yeas: 9 – Nays: 1 (Greimel)

RE: Resolution to Approve Trustees and Staff to Attend MAPERS Networking Event

Miss Munson explained that the event is a Tigers game at Comerica Park on June 16, 2022. The cost is \$30 per person.

RESOLUTION 22-014 By Swazer, Supported by Waterman

Resolved, That the Board approves Trustees and staff to attend MAPERS networking event.

Yeas: 8 – Nays: 1 (Greimel) – Abs: 1 (Parker)

RE: Escrow Account

Miss Munson reported that the escrow agreement draft was received and forwarded via email to the Trustees last night.

Chairman Albritton stated that this matter should be referred to the Finance Committee for review since it was just submitted to the Board. He stated that GERS spent time working with Northern Trust to get the escrow account in place and CPREA is now requesting that the escrow account be set up at Comerica. This agreement needs to thorough review prior to approval.

Trustee Greimel agreed with Chairman Albritton and stated that the City asked the Board to facilitate this with Northern Trust and CPREA - at the last minute - proposed a new financial institution, Comerica. He stated that he did not expect the Board to take action on this matter today.

Ms. Billings-Dunn stated that she also just received it. She will take a look at this today and advise the Board.

Ms. Billings-Dunn stated that the Retirement System is signing on to this, therefore, she would like the opportunity to review it to understand what GERS is agreeing to.

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Trustee Waterman suggested that Ms. Billings-Dunn review the agreement and report back at the special meeting.

Trustee Greimel reiterated that the City was working with GERS to facilitate this through Northern Trust and - for some unclear reasons - CPREA is the one who pushed Comerica.

Trustee Carrington stated that the assets in question are old GERS funds, and Northern Trust has been the trustee for those funds which is one of the reasons for initially looking to engage Northern Trust to be the trustee or have the custodial account with. He also stated that this was communicated to CPREA. He explained that CPREA had communication with Northern Trust and the process has been dragging for a couple of weeks now. He also explained that copy of the escrow agreement was provided to CPREA which was going to govern how those funds are going to be managed, and CPREA just provided their comments on it yesterday. He reiterated that it is CPREA who is dragging their feet, and, as of yesterday, is now proposing to go into an agreement with Comerica as opposed to Northern Trust.

Trustee Greimel stated that the City has tried to be fair to all the parties which was the whole point of the escrow agreement. He also stated that CPREA has been unnecessarily difficult for no rational reason.

Vice-Chair Giddings stated that he understands CPREA is part of the settlement agreement, however he does not understand why they have to be involved because the money is either going to VEBA or GERS.

Trustee Greimel stated that the City's interest in moving this to an escrow account is to avoid potential lawsuits and to avoid IRS penalty.

There was additional discussion.

Chairman Albritton referred this matter back to the finance committee, giving the attorney the opportunity to vet it. The finance committee will come back with a recommendation for the Board. He stated that, once Ms. Billings-Dunn has completed her review, he will reach out to the finance committee to set a meeting in a timely fashion.

Vice-Chair Giddings said he was under the impression that CPREA had voted to approve the \$400 permanent benefit.

Trustee Carrington clarified that the CPREA membership voted to approve the \$400 but the CPREA Board did not approve the prefunding of the benefit.

Trustee Greimel left at 10:40 A.M.

LEGAL REPORT

Legal Opinion regarding the Transfer of Pension Assets to an Escrow Account

Ms. Billings-Dunn read the major points of her opinion.

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Mesirow Financial Private Equity Partnership Fund IV/V, LP Transfer Invoice

This is for the Trustees' information.

Motley Rice 1st Quarter 2022 Portfolio Monitoring Report

This is for the Trustees' information.

Robbins Gellers March 2022 Portfolio Monitoring Report

This is for the Trustees' information.

PUBLIC COMMENT: NONE

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

RESOLUTION 22-015 By Swazer, Supported by Waterman

Resolved, That the Board approves to go into Closed Session to discuss Curtiss Major Disability Re-examination, Cisco, Adobe, Intuit, Grubhub securities litigations and Erica Robertson restitution.

ROLL CALL:

Albritton – Yes	Swazer – Yes
Carrington – Yes	Walker – Yes
Giddings – Yes	Waterman – Yes
King – Yes	White – Yes
Parker – Yes	

The Board went into closed session at 10:47 A.M.

The Board returned from closed session at 10:58 A.M.

RE: Resolution to Approve Motions in Closed Session

RESOLUTION 22-016 By Swazer, Supported by Parker

Resolved, That the Board accepts the recommendation of legal counsel to not attempt to further amend the complaint in connection with the Cisco lawsuit and to discontinue its pursuit of the Adobe and Intuit litigation matters.

Yeas: 9 – Nays: 0

RESOLUTION 22-017 By Swazer, Supported by Waterman

Resolved, That the Board accepts the recommendation from legal counsel to ratify the authority given to Robbins Geller.

Yeas: 9 – Nays: 0

RESOLUTION 22-018 By Giddings, Supported by Waterman

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Resolved, That the Board accepts the physician report regarding Curtiss Major.

Yeas: 9 – Nays: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, May 25, 2022 9:00 a.m.

RESOLUTION 22-019 By Waterman, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned at 11:01 A.M.

Yeas: 9 – Nays: 0

RE: Resolution to Approve Trustees Attendance at IFEBP Washington Legislative Update

RESOLUTION 22-020 By Giddings, Supported by Swazer

Resolved, That the Board approves for Trustees to attend IFEBP Washington Legislative Update May 23 – 24, 2022.

Yeas: 7 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the Reestablished General Employees' Retirement System held on April 27, 2022.
As recorded by Mizuki Kanno, reviewed and edited by Legal Counsel and the Executive Director