

**CITY OF PONTIAC
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
AUGUST 28, 2019**

A meeting of the Board of Trustees was held on Wednesday, August 28, 2019, at the Pontiac General Employees' Retirement System, 2201 Auburn Rd., Suite B, Auburn Hills, MI 48326. The meeting was called to order at 10:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Vice-Chair
John Balint
Robert Giddings
James Miriani
Walter Moore, Chair
Billie Swazer
Deirdre Waterman, Mayor (*arr. @ 10:05 a.m.*)
Patrice Waterman, City Council (*arr. @ 10:15 a.m.*)
John White (*Telephonically*)

OTHERS PRESENT

Hughey Newsome (*arr. @ 10:05 a.m.*)
Carey Jackson
Linda Watson, Retiree
Matt Henzi – Sullivan, Ward
David Lee – Dahab Associates
Kristy Neumann, Executive Assistant
Deborah Munson, Executive Director

TRUSTEES PRESENT

James Walker - *Excused*

Chairman Moore opened the meeting at 10:00 A.M.

PUBLIC COMMENT

Ms. Watson congratulated newly elected Trustee Miriani on winning the election.

Chairman Moore welcomed James Miriani to the Board.

Trustee Miriani confirmed that he had taken his Oath of Office.

AGENDA CHANGES

Miss Munson referenced New Business Agenda Item A which is a resolution to certify the election results. This resolution was not included in the electronic version of the agenda. She requested to add an item under New Business related to the Seizert investment. She requested an agenda change to the Legal Report section to remove approval of the July 31, 2019 closed session minutes as they are not complete and to add a resolution to re-enact the motion to go into the July 31, 2019 closed session.

Chairman Moore requested that New Business Item A be moved to the beginning of the agenda.

RE: Resolution to Certify Election Results

RESOLUTION 19-098 By Swazer, Supported by Balint

WHEREAS, the members of the General Employees' Retirement System on August 26, 2019 did elect a Member-Trustee for a partial term beginning August 27, 2019 and ending March 31, 2020; 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, four candidates timely filed and were nominated for the Member-Trustee position for an election held on August 26, 2019; and

WHEREAS, Trustee Billie Swazer has furnished a statement canvassing the returns of August 26, 2019 at which James Miriani was elected to the position of Member-Trustee; now, therefore, be it

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 partial term beginning August 27, 2019 and ending March 31, 2020:

**Certified Elected Trustee
JAMES MIRIANI**

RESOLVED, that the election of August 26, 2019 to the General Employees' Retirement System Member-Trustee position was conducted in accordance with election rules and regulations adopted by the Board.

Yeas: 7 – Nays: 0

RE: Resolution to Approve Agenda Changes

RESOLUTION 19-099 By Balint, Supported by Swazer

Resolved, That the Board hereby amends New Business to add a resolution regarding the Seizert investment and amends the Legal Report to remove approval of the July 31, 2019 closed session minutes and to add a resolution to re-enact the motion to go into the July 31, 2019 closed session.

Yeas: 7 – Nays: 0

APPROVAL OF CONSENT AGENDA

- A. Approval of the Minutes of the Special Board Meeting held June 28, 2019
- B. Approval of the Minutes of the Regular Board Meeting held July 31, 2019
- C. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date August 28, 2019	
TOTAL PENSION PAYROLL	\$2,029,527.64
Staff Pay Date August 1, 15 & 19, 2019	
TOTAL STAFF PAYROLL	\$32,216.58

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D. Communications

- Correspondence from Attucks RE: Northpointe Graduation
- Correspondence from Invesco Real Estate RE: Staff Changes
- Correspondence from Piedmont RE: Staff Changes

E. Financial Reports

- Accounts Payable: August 2019
- Dahab Associates Preliminary Report: July 2019
- Attucks Manager-of-Managers Summary: July 2019
- Statement of Changes: July 2019
- Unaudited Financial Statements: Q2 2019

F. Private Equity and Real Estate Capital Calls & Distributions

- Invesco Fund V Distribution: August 13, 2019 \$90,394
- Mesirow Fund IV Distribution: July 30, 2019 \$75,000
- Mesirow Fund VI Capital Call/Distribution: July 30, 2019 Net Received: \$30,000

G. Retirement Benefits

1. New Retirements

RETNO	NAME	EFFECTIVE DATE	AMOUNT
2899	Wilson, Rose	9/1/2019	

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

RETNO	NAME	DATE OF DEATH	BENEFIT AMOUNT
2109	Farnum, Victor	8/13/2019	
2461	Hughes, Sandra	7/26/2019	

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
1567	Grice, Roger	Pop-Up	7/1/2019	

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2306	Mitchell, Arthur	Revised DRO	7/1/2019	
602306	Colon, Nilda	Revised DRO	7/1/2019	

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 19-100 By Swazer, Supported by Albritton

Resolved, That the Board approves the Consent Agenda for August 28, 2019.

Yeas: 7 – Nays: 0

CONSULTANTS

Mr. Lee presented the preliminary of July 30, 2019. The total portfolio market value was \$500,003,718, He reported 1 month at 0.6%, QTD 0.6%, YTD 13.8%, 5.5% at 1 year, 8.7% at 3 years, 7.1% at 5 years and 10.0% at 10 years and 8.2% since inception.

REPORTS

Personnel & Administrative Committee

EDRO Policy Draft

Miss Munson reported that the committee reviewed the revised policy and is recommending it for approval.

Executive Director Annual Evaluation

The evaluation committee and Miss Munson will be meeting on September 19, 2019 to conduct her annual evaluation. Trustees are encouraged to send their comments to Trustee Swazer prior to then.

Annual Consultants and Advisors Review 2019

Miss Munson reminded the Board that the finance committee had requested last month that this matter be tabled until they could review additional information on the current service provider's fees. Both committees have reviewed the information and are recommending appointment of the new Medical Director.

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Disability Re-Examination Report: No longer disabled status update

Miss Munson reported that both committees had reviewed the member's physician's report and Determination which is inconsistent with the Determination made by the System's physician. The next step in the Appeal Process is for the Board to receive and file his physician's report and those two doctors will appoint a third physician which will constitute the Medical Board of Review. The report of the third doctor is due within 60 days of their appointment.

Disability Re-Examination Report: Disabled

Miss Munson reported that the disability retiree who was re-examined in July was determined by the System's doctor to continue to be permanently and totally disabled. Both committees reviewed the doctor's report. There is a New Business Item to receive and file the doctor's report and to continue the member's disability retirement benefit.

Northern Trust Authorized Party Signature Update

Miss Munson reported that both committees reviewed the memo regarding the Authorized Party Signature Authority and are recommending adding Phillip Moore as an Authorized Party at Northern Trust.

Annual Meeting Rescheduled

Miss Munson reported that both committees are recommending approval to reschedule the Annual Meeting to December 3, 2019.

Supplemental Actuarial Analysis RE: \$400 Supplemental Benefit

Both committees are recommending that the Board receive and file the supplemental actuarial analysis regarding the continuance of the \$400 supplement benefit.

Proposed Expense Budget 2020

Miss Munson reported that both committees reviewed the proposed Expense Budget for 2020. Trustees were requested to send their questions or changes no later than September 12, 2019.

Deferred Hospital Members Service Credit Verification Update

Both committees reviewed correspondence regarding service credit for the former hospital member.

Annual Disability Procedures Report

Both committees reviewed monthly Annual Disability Procedures report.

Finance Committee

Attacks Manager-of-Mangers Restructuring

Miss Munson reported that the finance committee discussed the portfolio restructuring proposal, fee structure and investment guidelines. The committee has some additional questions and this matter has been added to the September committee agenda.

Seizert Investment Options Comparison

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Miss Munson reminded the Board that Seizert is one of the managers who was to be graduated as part of the manager-of-managers restructuring. The committee discussed the various investment vehicles – a separately-managed account and the commingled investment trust – and believes the best option for the System is to retain Seizert in the manager-of-managers program.

Fiduciary Liability Insurance Vendor Update

The committee received an update on the insurance review.

Funding Policy Overview and Draft

The committee received an update draft of the policy which will be forwarded to the Board for review in the next day or two.

Trustees

Trustee Patrice Waterman reported that City Council had adopted the ordinance to continue the \$400 supplemental benefit.

Chairman

None

EXECUTIVE DIRECTOR REPORT

Annual Fees and Political Contributions Disclosures

Miss Munson referenced the handout of the status of the Annual Fees and Political Contributions Disclosure process.

Trustee and Staff Contact List

Miss Munson referenced the handout of the updated Contact List.

Member Trustee Election

Miss Munson congratulated Mr. Miriani and thanked all of the candidates for participating in a very competitive race.

Asset Transition Update

Miss Munson reported that there are no assets in transition.

SEC Notices RE: Fitbit and Gray Financial

These are for the Trustees' information

2020 Proposed Expense Budget First Review

Miss Munson began by reviewing the expenses for 2018. The adopted budget for 2018 was \$31,503,541 and the audited financial statements reflect total expenses of \$31,820,507, a difference of approximately 1.0%. The retiree payroll was (88.6% of total expenditures) varied from the budget by 1%; Investment related expenses (8.9% of total expenditures) varied by less than 1%; Wage and Fringe Benefits varied by

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14.3%. Miss Munson reported that factors like the hiring of the finance officer, leave liability and medical coverage all contributed to the variance above the budget. Miss Munson reported that all other expenses (1.4% actual expenditures) varied from the budget by 1.7%. She explained that these expenses included training and education as well as computer equipment which was off by approximately \$5,000. She noted that the computer equipment was approved by the Board as a result of the RFP for IT Administrator and was not included in the adopted budget.

Miss Munson reviewed the expense budget through June 2019. The adopted budget was \$29,609,027. Actual expenditures through June 30, 2019 are \$13,667,262 which is below the expected amount of \$14,804,514 based on the adopted budget.

Miss Munson reported the retiree payroll will exceed the adopted budget for 2019. She noted the 2019 budget has not been amended to include the \$400 supplemental payment which will be paid for September through December 2019. The 2019 budget will be amended to include the payment for this period and that the finance committee has recommended that all future budgets include the payments for those four additional months if the Board determines that the payments are likely to continue. That period is included in the 2020 budget.

Miss Munson reported Investment-Related Expenses are less than expected due to the timing of the receipt of second quarter invoices. Wages and Fringe Benefits are 2.9% below the expected amount. All other expenses are approximately 27.8% below budget. She said some of those contributing factors were timing of certain payments (monthly vs. annually) and reversals of accruals for 2018 for computer equipment and software.

Miss Munson reviewed the 2020 proposed expense budget. The proposed budget for 2020 is \$31,917,786. This represents an approximate increase of 1% from the adopted 2019 budget after accounting for the adjustment that will be made to the 2019 budget related to the retiree payroll. The 2020 budget for Retiree Payroll includes a full year of the \$400 supplemental payment; Investment-Related expenses are expected to approximate 2019; Wages and Fringe Benefits are based on the 2019 amounts plus 2% inflation. She noted some of the account number and formatting changes which have occurred as a result of the implementation of the QuickBooks accounting software.

Q2 2019 Performance Report

Chairman Moore indicated that the Q2 2019 Performance Report review could be tabled until the Investment Manager Review meeting in September.

UNFINISHED BUSINESS

RE: Resolution to Approve Appointment of Medical Director

RESOLUTION 19-101 By P. Waterman, Supported by Swazer

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Resolved, That the Board appoints Dr. Jeffrey Deitch, D.O. of MMRO/CoreVisory as the System's Medical Director effective immediately, provided that MES doctors shall be retained to advise on any cases outstanding as of July 30, 2019.

Yeas: 9 – Nays: 0

NEW BUSINESS

RE: Resolution to Continue Disability Retirement (Confidential Report)

RESOLUTION 19-102 By Swazer, Supported by P. Waterman

Resolved, That the Board accepts the Medical Director's Re-Examination Report and Determination for the member dated July 8, 2019 and approves the continuation of the disability retirement allowance.

Yeas: 9 – Nays: 0

RE: Resolution RE: Medical Board of Review (Confidential Report)

RESOLUTION 19-103 By Swazer, Supported by Albritton

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

Resolved, that Dr. Drouillard and Dr. Chodoroff be notified of the process for the Medical Board of Review so that the selection of the third physician for the MBOR may be made and the appeal process continued.

Yeas: 9 – Nays: 0

RE: Resolution to Update Northern Trust Signature Authority

RESOLUTION 19-104 By Swazer, Supported by Balint

Resolved, That the Board approves to update the Northern Trust Authorized Parties Document by adding Phillip Moore.

Yeas: 9 – Nays: 0

RE: Resolution to Schedule the Reschedule the Annual Meeting

RESOLUTION 19-105 By Albritton, Supported by Swazer

Resolved, That the Board will hold its Annual Meeting on Tuesday, December 3, 2019.

Yeas: 9 – Nays: 0

RE: Resolution to Adopt EDRO Policy and Procedures Resolution

RESOLUTION 19-106 By P. Waterman, Supported by Swazer

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WHEREAS, the Board of Trustees ("Board") of the City of Pontiac General Employees' Retirement System ("System") is vested the general administration, management, and responsibility for the proper operation of the System, and

WHEREAS, Public Act 46 of 1991, MCL 38.1701 et seq. ("EDRO Act") mandates that all public employment retirement systems must comply with Eligible Domestic Relations Orders ("EDROs") issued by Michigan state courts, and

WHEREAS, Public Act 46 requires the establishment of reasonable procedures for determining if domestic relations orders received by the System are EDROs under the EDRO Act, and

WHEREAS, the Board of Trustees is desirous of restating its various policies and procedures with regards to the System's administration of all court orders, subpoenas and requests for information concerning domestic relations proceedings, and

WHEREAS, the Board of Trustees having discussed this matter with its legal counsel, therefore be it

RESOLVED, that the Board hereby adopts the following "Statement of Administrative Policies and Procedures Regarding Domestic Relations Matters":

I. SAMPLE EDRO

The Board has approved the availability of a sample EDRO and a sample DRO for use by its members and beneficiaries. The samples are forms only and the parties and/or their attorneys must conduct their own research and investigation of the plan provisions, the EDRO Act and all other applicable law to determine which type of order and/or provisions are appropriate under the circumstances. Copies of the sample orders are available from the Retirement System Office.

II. REQUESTS FOR INFORMATION

The Board respects an individual member's right to privacy and strictly construes the Freedom of Information Act as to the release of a member's retirement data to third parties. This respect for a member's right to privacy is not altered by the commencement or pendency of domestic relations proceedings. Requests by third parties for a member's personal retirement data must be accompanied by a signed waiver from the applicable member/retiree or a court entered order or subpoena. Attorney issued subpoenas will be subject to all privacy laws, including the Freedom of Information Act, and requests for information which is of a personal nature will be denied unless accompanied by a signed waiver from the member.

III. PROPOSED ORDERS

The parties to a domestic relations proceeding are encouraged to forward their proposed EDRO, DRO or other applicable order to the Board for review prior to entry of the order with the court. The Board, through its legal counsel, will review the proposed order for compliance with plan provisions and applicable law. Comments and/or required amendment or additions will be forwarded to the parties.

IV. COSTS

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A. Policy Statement. The System often is presented with requests, court judgments and/or court orders which require the providing of estimates, calculations, legal review and/or comment with respect to proposed or actual court judgments or domestic relations orders, including proposed or actual Eligible Domestic Relations Orders pursuant to Public Act 46 of 1991 of the State of Michigan statutes (MCL 38.1701, et seq.). The EDRO Act requires the Board to establish a reasonable procedure to determine if a domestic relations order is an Eligible Domestic Relations Order under the EDRO Act. The Board has adopted this procedure to implement the requirements of applicable law, which procedure necessarily includes the involvement of professional advisors due to the legal and actuarial issues inherently involved. Said estimates and calculations are made by the System's actuary who submits billings for said services. Legal review and comment, which may include proposed amendments and/or consultation with the parties' attorneys is performed by the Board's legal counsel who also submits billings for said services. Despite the increased costs to the System and the taxpayers of the City imposed by the enactment of domestic relations legislation, the Legislature has not provided funding to administer the legal mandates of the applicable legislation. The Board is vested with the fiduciary responsibility and authority for the general administration and management of the System. The Board is of the opinion that the costs for review of the EDRO are not the responsibility of the System but are the responsibility of the parties to the domestic relations proceeding. Members will be required to reimburse the System for all legal and actuarial fees incurred for review of the EDRO. In addition, the member shall reimburse the System any administrative costs in excess of three (3) hours spent providing estimates and calculations. The administrative costs will be based on the hourly rate of the lowest-paid Retirement System employee capable of doing the work, regardless of who performs it.

B. Cost allocation. The parties are encouraged to address each party's responsibility for payment of actuarial, legal, and administrative costs within the terms of their respective EDRO, DRO, or other court order and/or correspondence which requires actuarial or legal services. In the absence of specific terms in the EDRO, the Board shall split (50/50) between the parties to the order, the applicable actuarial, legal and administrative costs incurred by the System. The party requesting an estimate or other actuarial calculations prior to entry of an order shall otherwise be responsible for all the corresponding costs.

C. Payment. Any domestic relations order or request for calculations submitted to the System shall be subject to reimbursement of the System's attorney fees, actuarial fees and administrative costs in excess of three (3) hours associated therewith. The parties shall forthwith tender such amounts as may be required upon billing by the System. In the event the respective costs are not paid by either or both parties to the domestic relations proceedings within three (3) months of the System's billing, then the applicable costs, plus interest at the plan's actuarially assumed rate retroactive to the date of the billing and calculated in the same manner as interest is credited to member contributions to the plan, shall be deducted from the respective party's benefits at such time as benefits become payable by the plan, up to the maximum amount allowable by law.

D. Upon receipt of an entered domestic relations order, the Board shall follow the procedures outlined in Section V. The actuarial and legal costs directly attributable for: (a) legal review and opinion (i.e. that the Order complies with plan provisions and applicable law); (b) actuarial review and certification (i.e. that the EDO does not increase plan costs); and (c) administrative costs in excess of three (3) hours, are the

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responsibility of both parties. If the parties request or circumstances dictate (i.e. participant or alternate payee commencing benefits immediately) an immediate actuarial calculation of benefits, including estimates, said costs are also the responsibility of the parties.

E. Upon the participant's retirement, the Board will pay the normal actuarial costs for determining the amounts otherwise payable to the participant (i.e., the amount for calculation of the participant's straight life benefit and applicable options). Any additional actuarial costs for calculations required pursuant to the terms of the EDRO will be the responsibility of the parties

V. ENTERED ORDERS

A. Upon receipt of a judgment or order purporting to be an Eligible Domestic Relations Order, the Board is required to acknowledge receipt of said judgment or order.

B. The Board will notify the parties who will be affected by such order (the plan participant, the alternate payee and legal counsel for said parties) and inform them that the Board will proceed with a determination as to whether the order is an effective Eligible Domestic Relations Order within thirty (30) days after receipt of the order. An "Acknowledgment of Receipt of Judgment or Order Purporting to be an Eligible Domestic Relations Order" form letter will be completed by the Executive Director and forwarded to the parties.

C. The Executive Director shall forward a copy of the order and other appropriate information to the Board's legal counsel for review as to whether the order complies with the plan's provisions and applicable law.

D. Upon review, legal counsel will prepare and forward correspondence and/or proposed resolutions, as may be applicable, to the Board and/or parties. Legal counsel will forward its opinion to the Board as to the compliance of the order with applicable law and plan provisions. If the order does not meet the requirements of the Act or the plan, the Board's legal counsel will promptly notify the parties of the deficiencies. Upon receipt of an order intended to qualify as an EDRO, the Participant's retirement allowance effective date shall be stayed in accordance with Section 10(2) of the EDRO Act as follows:

a. Until the Board accepts the order for filing as an EDRO, in which case the Participant's retirement allowance effective date will occur as if it had not been stayed: or

b. Until sixty (60) days have passed from the date the Board provided notice to the participant and Alternate Payee that the order does not qualify as an EDRO. During the sixty (60) day period, the parties may submit an amended order for qualification as an EDRO under the plan.

E. If legal counsel opines that the order is consistent with the Board-approved samples, then no actuarial certification (i.e. that the order does not increase plan costs) will be required. If legal counsel opines that the order complies with applicable law and plan provisions but is not consistent with the Board-approved samples, a copy of the order will also be forwarded to the Board's actuary for review and certification (i.e. that the order does not increase plan costs). Said review and certification will be forwarded to the Board.

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Please note that the parties will be responsible for all additional legal and actuarial costs and must comply with the provisions of this policy regarding costs.

F. Upon receipt of (a) the opinion of its legal counsel, and (b) review and calculation with certification from its actuary, the Board will adopt a resolution acknowledging receipt of an entered order which complies with plan provisions and applicable law. A copy of this resolution and the actuary's calculations will be forwarded to the parties and their attorneys. A copy of the approved order will be placed in the participant's Retirement System file.

G. The Executive Director will thereafter request computation of any required payroll data and service credit for inclusion in the Participant's Retirement System file. A copy of the order will also be forwarded to the Board's actuary for review and certification (i.e. that the EDRO does not increase Plan costs).

VI. REQUEST FOR BENEFIT ESTIMATES AND/OR CALCULATIONS

In cases where a member or retiree of the Retirement System or the spouse or alternate payee of a member or retiree seeks actuarial information concerning the retirement allowance of a member or retiree, such estimates, to the extent possible (and subject to the disclosure limitations as discussed in Section II) may be obtained from the Executive Director. In the event the Executive Director does not have access to the requested information, the requesting party shall submit a written request to the Board to have the actuary provide the information. Please note that the requesting party will be responsible for all additional fees and costs and must comply with the provisions of this policy regarding costs.

VII. ALTERNATE PAYEE'S COMMENCEMENT OF BENEFITS

An Alternate Payee must make application not less than thirty (30) and not more than ninety (90) days prior to his/her intended benefit commencement date. Upon receipt and approval of an EDRO or other appropriate order, the Board resolves to put a copy in the participant's file. The Board does not notify alternate payee of their eligibility to commence receipt of benefits until such time as the participant files application for retirement. If it is the intent of the alternate payee to commence receipt of benefits at the participant's earliest retirement date, the alternate payee must keep track of that date and make application to the System as indicated above.

FURTHER RESOLVED, that a copy of this resolution shall be provided to the Board's actuary and legal counsel, and, further

RESOLVED, that a copy of this resolution shall be provided to the parties and attorneys involved in domestic relations proceedings involving System benefits.

Yeas: 9 – Nays: 0

RE: Resolution to Receive and File Supplemental Actuarial Analysis

RESOLUTION 19-107 By P. Waterman, Supported by Swazer

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Resolved, That the Board hereby receives and files the August 22, 2019 supplemental actuarial analysis to determine the cost of continuing the \$400.00 supplemental benefit through August 31, 2020.

Yeas: 9 – Nays: 0

RE: Seizert Investment Option

Miss Munson explained that Seizert is one of the Michigan-based managers under the manager-of-managers program. In May, the Board had approved to graduate Seizert and the other Michigan-based manager, Northpointe, to a direct relationship with the System. The Northpointe transition occurred: the System signed an investment agreement with Northpointe effective August 1, 2019. Seizert's proposal was to transition the portfolio into a commingled investment trust advised by Seizert. The committee reviewed a comparison of the various vehicles and determined that the best option for the System is to continue with Seizert using a separately-managed account under the manager-of-managers program. So, no change will be made.

RESOLUTION 19-108 By P. Waterman, Supported Albritton

Resolved, That the Board approves to retain Seizert in the manager-of-managers program.

Yeas: 9 – Nays: 0

LEGAL REPORT

Seizert Capital Partners

See New Business.

EDRO Policy Draft

See Personnel & Administration Committee and New Business.

TerraCap Partner IV Amendment

Legal Counsel is currently reviewing.

Attucks Asset Management Contract

Legal Counsel is currently reviewing.

Robbins Geller May and June 2019 Monitoring Reports

This is for the Trustees' information.

Fees received by Sullivan Ward from Securities Litigation Matters

Mr. Henzi reported there have been no changes since the last meeting.

RE: Resolution to Correct Motion to go into July 31, 2019 Closed Session

RESOLUTION 19-109 By P. Waterman, Supported by Swazer

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Resolved, That the Board shall re-enact Resolution 19-093, pursuant to Michigan's Open Meetings Act, MCL 15.270(5), in order to ensure that Resolution 19-093 made at the Board's July 31, 2019 meeting conforms to all requirements of the Open Meetings Act; and further

Resolved, That the Board approves to go into closed session to discuss a duty-disability retiree request for appeal and Dell, Inc., and Livent litigation matters.

Roll Call:

Albritton – Yes	Swazer – Yes
Balint – Yes	D. Waterman – Yes
Giddings – Yes	P. Waterman – Yes
Miriani – Yes	White – Yes
Moore – Yes	

RE: Resolution to go into Closed Session

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 19-110 By Swazer, Supported by P. Waterman

Resolved, That the Board approves to go into closed session to discuss Venator securities case.

Roll Call:

Albritton – Yes	Swazer – Yes
Balint – Yes	D. Waterman – Yes
Giddings – Yes	P. Waterman – Yes
Miriani – Yes	White – Yes
Moore – Yes	

The Board moved to closed session at 10:42 a.m.

The Board returned from closed session at 10:52 a.m.

RE: Resolution to Authorize Robbins Geller RE: Venator

RESOLUTION 19-111 By Swazer, Supported by P. Waterman

Resolved, that the Board authorizes Robbins Geller to file for co-lead plaintiff along with the City of Miami on the System's behalf in the Venator matter.

Yeas: 9 – Nays: 0

Trustee Deirdre Waterman requested that the record reflect Sullivan, Ward has received over \$1.5M in other fees by representing the System in these securities litigation matters.

RE: Request for a Supplemental Actuarial Analysis and Experience Study

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Trustee Deirdre Waterman referenced the correspondence she sent in response to the request made by the Board through Miss Munson regarding the request for a supplemental actuarial analysis related to the IRS filing. She referenced the plan of action containing a list of documents which the City had to provide to Miller Canfield in order to prepare the filing. She stated that approval of this updated actuarial analysis and experience study is the last step in completing the application for the IRS. She requested that the Board approve to submit the request for an analysis to the actuary and offered to answer questions.

There was discussion regarding the reasonableness of and basis for using a 3.5% rate of return. It was noted that the Board had just approved the most recent valuation at the May 2019 meeting.

Trustee Giddings referenced the System's policy on supplemental actuarial analysis requests and questioned why it mattered to the Board what is being requested since the fees for the study are borne by the requesting party and it has no impact on the System.

Trustee Swazer noted that the 7% rate of return currently used for valuation purposes has very recently been reviewed and the System's advisors have concurred that the rate is reasonable.

Trustee Patrice Waterman asked why the assumed rate of return would go from 7% to 3.5%.

Trustee Deirdre Waterman responded that the most recent valuation is not the one which has been requested. This request is based upon the settlement and this Board is not CPREA which everyone has agreed is true. She would like to apply that same principal here regarding which documents and what percentages which are all part of the discussions between the settlement bodies. She added that the purpose of using the 3.5% is to provide a range.

There was additional discussion.

Trustee P. Waterman left at 11:58 a.m.

RESOLUTION 19-112 By D. Waterman, Supported by Giddings

Resolved, That the Board approve to submit to the actuary the request for a supplemental actuarial analysis and experience study based on the parameters in the correspondence from Miller Canfield attorney Samantha Kopacz dated May 16, 2019 and reiterated in the letter from the Mayor dated August 7, 2019 for the purpose of the CPREA settlement agreement as approved by the City Council in preparation of the IRS application so that City retirees may be restored their healthcare.

Roll Call:

Albritton – No	Swazer – No
Balint – No	D. Waterman – Yes
Giddings – Yes	White – No
Mirani – No	
Moore – No	

General Employees' Retirement System
Regular Meeting
August 28, 2019

**CITY OF PONTIAC
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
AUGUST 28, 2019**

The Board directed that the Executive Director submit to Trustee Deirdre Waterman in writing the following questions:

- What is the purpose of using 3.5%?
- What is the basis of the 3.5%?
- Why do you believe it is required to use 3.5%?
- Why can we not use the valuation report for the period ending December 31, 2018 which was approved by the Board in May?
- Why can we not use the assumptions that have been established by the Board?

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, September 25, 2019 10:00 a.m. – Retirement Office

Special Meeting: Thursday, September 26, 2019 8:00 a.m. – Marriott Centerpoint

RESOLUTION 19 – 113 By Albritton, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 12:04 P.M.

Yeas: 8 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on August 28, 2019

As recorded by Kristy Neumann, reviewed and edited by Legal Counsel and Executive Director