

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
DECEMBER 18, 2019**

A special meeting was held on Wednesday, December 18, 2019, at the Pontiac General Employees' Retirement System, 2201 Auburn Road, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 3:00 P.M.

TRUSTEES PRESENT

Sheldon Albritton, Vice-Chair
John Balint
Robert Giddings
Walter Moore, Chair
Billie Swazer
James Walker
Deirdre Waterman, Mayor (*arr. @ 3:18 p.m.*)
Patrice Waterman, City Council

OTHERS PRESENT

Jane Arndt, Retiree
Claudia Filler, Retiree
Rodney Graves, Retiree
Edith Kaminski, Retiree
Alice Stamman, Retiree
David Stamman, Retiree
Blanche Teasley, Retiree
Cynthia Billings-Dunn, Attorney
Kristy Neumann, Executive Assistant
Deborah Munson, Executive Director

TRUSTEES ABSENT

James Miriani - Excused
John White

PUBLIC COMMENT

Mrs. Stamman asked whether the Board knew what the timeframe is for completing the process to reinstate the retiree healthcare.

Mrs. Arndt asked if the changes regarding the language that the City Council voted on regarding IRS filing will cause problems or concern for the pension, will there be further review and will those be discussed here today. She stated that her concern is that the IRS filing would be submitted without an in-depth review.

Chairman Moore replied that the GERS board is not involved with the IRS filing, the settlement is between the City and CPREA and that the City Council will have the final say.

AGENDA CHANGES

Trustee Patrice Waterman requested that the agenda item to reschedule the January Board meeting be moved to the beginning of the agenda.

RE: RESCHEDULE JANUARY 2020 BOARD MEETING

RESOLUTION 19 – 171 By P. Waterman, Supported by Albritton

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Resolved, That the Board approves to reschedule the January 29, 2020 Board meeting to Thursday, January 30, 2020 at 10:00 a.m.

Yeas: 7 – Nays: 0

RE: CPREA SETTLEMENT IRS FILING DOCUMENT REVIEW

Ms. Billings-Dunn reported that Miller Canfield is proposing to submit 3 separate submissions to the IRS for approval. The first is the new VEBA with names of the trust and people who will sit on the board. The second is an amendment to terminate the old GERS and to transfer the assets to the new VEBA as well as the Reestablished GERS plan. The third is the new Reestablished GERS plan. She stated that she reviewed the Changes and Comments report prepared by the Executive Director and added her comments. She said that many of the changes proposed by Miller Canfield are formatting changes and make no substantive change to the Plan. She reviewed some of her comments with the Trustees.

Trustee D. Waterman arrived at 3:18 p.m.

There was discussion about the revisions.

Chairman Moore stated that it is his understanding that - as a result of the settlement agreement - there were only two things that were going to change in the Ordinance – a super-majority of 7 votes would be required for alternative investments and for all investments if the funding level ever fell below 90%. Additional changes beyond that should be determined by the parties to the settlement – the City and CPREA.

Trustee Swazer said that she would hate to see any member be disadvantaged as a result of the new language. She said that when she participated in negotiations, the only contract language that changed was language that both parties agreed to change. If new language is required for the new GERS, Miller Canfield should confer with the City and CPREA and come to agreement on new language.

Ms. Billings-Dunn said that she has identified 28 changes that she believes should be addressed and that she has no problems with the other revisions.

Trustee Giddings stated that he recalled it being explained that this is an opportunity to correct language in the Retirement Ordinance that has nothing to do with the settlement and by doing the overall document would be better. He said that he questioned at the last finance committee who would pay for the legal work since it is the City and not the retirees who are setting up the VEBA – therefore it should come out of plan sponsor funds. He said then that Chairman Moore indicated that – as Trustees – we needed to know all of the changes which were being made to the Ordinance and to the System. He asked whether that is what the Board is doing today.

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Miss Munson reminded the Board that Ms. Kopacz, Ms. Billings-Dunn and she worked together in the spring to review the current GERS Ordinance. As a result of that review, the Board recommended 10 proposed changes for inclusion in the new GERS. The Council has not adopted those yet, but they would be adopted as part of the new Reestablished GERS Ordinance. The City is not going to request that the Council restate the old GERS Ordinance. The old GERS Ordinance would simply be cleaned up to reflect all prior changes that have been adopted by the Council and reposted to the City's website. She said that the proposed revisions that were made go beyond the 10 proposed changes and disagreed that they did not change the Plan or how the System works. She noted that it is up to the Board to determine whether it is important to pursue further discussion but she wanted to ensure the Board knew what the changes are.

Trustee Swazer explained why she believes it would be helpful for Miss Munson to attend any meetings of the attorneys.

Trustee Deirdre Waterman volunteered to take to Ms. Kopacz any questions the Board has regarding the proposed revisions.

Miss Munson reviewed the proposed new language in Section 40 regarding reversion to the City of excess assets.

Ms. Billings-Dunn explained what is a 'mistake of fact' and there was additional discussion.

It was determined that Ms. Billings-Dunn and Miss Munson would meet to review the changes together and report back to the Board.

Miss Munson clarified that she was asked to review the documents and that she was working from the same understanding as Chairman Moore: the two stipulations from the settlement agreement were the only two things that would change in the new GERS. She acknowledged that she and the attorney share an opinion on some of the changes. However, it is the parties who will determine whether all or some the revisions are made – but that is not the position from which she was working. She understood there would only be two changes and that is why the Board has the 15-page report in front of them.

Chairman Moore announced that he is rescinding his resignation and will remain on the Board to continue serving the members of the System.

Trustee Deirdre Waterman said that that would need to be handled at a regular Board meeting because the Board received Chairman Moore's resignation as an action of the Board.

Chairman Moore noted that he is still in his term of office. He had communicated that it would be effective December 31, 2019. He has communicated in writing that he is withdrawing his resignation.

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There was additional discussion.

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

SCHEDULING OF NEXT MEETING/ADJOURNMENT

RESOLUTION 19-172 By Albritton, Supported by P. Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned 4:05 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 December 18, 2019
As recorded by Kristy Neumann,
reviewed and edited by Legal Counsel
and Executive Director