

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

A regular meeting of the Board of Trustees was held on Wednesday, March 2, 2022 at Bowens Senior Citizens Center, 52 Bagley St, Pontiac, MI 48341. The meeting was called to order at 9:02 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Darin Carrington, Secretary
Robert Giddings, Vice-Chair
Tim Greimel, Mayor
Lisa King
James Miriani
Walter Moore (electronically) – Lantana, Denton County, Texas
William Parker Jr., City Council *arr 9:12 A.M.*
Billie Swazer
James Walker
John White

OTHERS

Louise Gates, Gabriel, Roeder, Smith & Co. (electronically)
Frances Finnegan, Retiree
Linda Watson, Retiree
Cynthia Billings-Dunn, Asher Kelly (electronically)
Steven Roth, Dahab Associates (electronically)
Mizuki Kanno, Executive Assistant
Deborah Munson, Executive Director

PUBLIC COMMENT:

Frances Finnegan apologized to Chairman Albritton that she made a statement with incorrect information at the special meeting on February 28, 2022 regarding the IRS approval process and that Chairman Albritton was correct.

Linda Watson made public comments.

AGENDA CHANGES

Miss Munson requested to amend the agenda to add an item to discuss the Gabriel, Roeder, Smith & Co proposed fee to update the member data software update.

Trustee Moore requested to amend the agenda to add an item to discuss Attorney General's opinion regarding participating meetings virtually as well as an item to discuss the travel policy. He stated that these are the two issues for him to decide his resignation. He also stated that the significant changes on travel law and ability to participate in meetings virtually could change his mind about his resignation. He requested to discuss these items.

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Chairman Albritton stated that the Attorney General's opinion is an item under Legal Report and suggested that it be discussed then. He also suggested that the travel policy be addressed through the personnel committee.

RESOLUTION 22-022 By Swazer, Supported by Walker
Resolved, That the Board approves the agenda changes.

Yea: 10 – Nays: 0

GRS Software Update Quote

Ms. Gates explained that the GERS Board engaged Gabriel, Roeder, Smith & Co. to perform an experience study in early 2021, and as a result of that, the Board adopted an actuarial assumption and approved to update it for retirements effective on or after January 2022. She explained that the factors used currently for the benefit calculations are out of sync and that the software needs to be updated in order to implement the change in actuarial assumption.

Trustee Carrington asked if this is something that has to be implemented otherwise the calculations for future retirees would not be accurate.

Miss Munson explained that the resolution adopted by the Board in January 2022 approved to update the interest rate and mortality tables used to determine actuarial equivalence of benefits and that the Board also approved to update the software. She noted that the calculations done so far for the new retirees this year are only estimates.

Vice-Chair Giddings stated that this is not something new and that this was already discussed.

CONSENT AGENDA

- A. Approval of the Minutes of the Regular Board Meeting held on January 26, 2022.
- B. Approval of the Minutes of the Special Board Meeting held on January 31, 2021.
- C. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date February 14, 2022	\$1,548,323.39
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Staff Pay Dates February 10 & 24, 2022	\$15,769.75
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- D. Communications
 - FOIA Request from eVestment: February 2, 2022
 - FOIA Request from American Transparency: February 3, 2022
 - Correspondence from Kennedy Capital RE: Outsourced Trading
 - Correspondence from NTAM RE: Staff Changes
 - Correspondence from TerraCap RE: Northwoods Sale
 - IFEPP Investments Institute: April 27 – 28, 2022 (Phoenix, AZ)

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- Invesco Client Conference: November 15 – 17 (San Diego, CA)
- MAPERS Spring Conference: May 21 - 24, 2022 (Acme, MI)
- Public Funds Summit East: July 18 – 20, 2022 (Newport, RI)

E. Financial Reports

- Attucks Manager-of-Managers Summary: January 2022
- Statement of Changes: January 2022

F. Private Equity Capital Calls & Distributions

- Mesirow Fund IV Distribution: February 24, 2022 \$135,000

G. 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
451	Cross-Beals, Edith	02/23/2022	
1333	Cross-Beals, Edith	02/23/2022	
1314	Davis, Mable	02/16/2022	
1595	Gooding, Ethel	01/15/2022	
1756	Harden, John	01/22/2022	
1402	Ingram, Louise	02/17/2022	

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
1920	Portuondo, Luisa	Crump, Crystal	01/10/2022	
1982	Stokes, William	Williams, Mary	01/17/2022	

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount
2605	Oberoi, Madhu	Pop-Up	02/01/2022	

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).

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5. Disability Medical Re-Exams/Benefit Continuation

RETNO	Member's Name	Reason

6. Refunds of Employee Contributions

RETNO	Member's Name	Reason	Amount

RESOLUTION 22-023 By Swazer, Supported by Walker

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for March 2, 2022.

Yea: 10 – Nays: 0

CONSULTANTS

Performance Report: Q4 2021/ Preliminary Report: January 2022

Mr. Roth reported that the GERS portfolio returned 4.9% net of fees for the quarter and 15.5% for the year 2021.

Chairman Albritton asked Mr. Roth to elaborate on why GERS has different managers for asset allocation to play off each other.

Mr. Roth explained that it is not ideal to have everything moving into the same direction in terms of setting asset allocation which is why there are different types of managers such as real estate and equity. Even drilling down the equity managers, it is not ideal if they all go up at the same time. It is ideal to have different managers zig and zag in the portfolios.

Trustee Moore asked if there is a report showing what assets are going to the new GERS and to the new VEBA.

Mr. Roth explained that the assets remaining in the old GERS are Kennedy, Loomis, Robinson and Xponance.

Trustee Miriani also asked if GERS have any investments in Russia.

Mr. Roth stated that GERS has investments in Russia in Northern Trust index funds. He explained that the exposure is 0.06%.

Trustee Miriani stated that the total portfolio returns as of January 31, 2022 was \$567M which is \$43M down from the previous month. He asked if this affects the \$65M transfer to the VEBA.

Mr. Roth responded that this would short the transfer of Principal Real Estate and Northern Emerging Markets for \$9.9M.

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REPORTS

Relocation Committee

Miss Munson reported that the construction at the Retirement Office is moving along as scheduled and targeted to be complete in the week of March 14, 2022.

Chairman Albritton stated that the relocation committee diligently searched for properties throughout the City of Pontiac with the help of the previous administration. Some of the primary concerns were ensuring accessibility for the retirees and safety for the staff. The committee was not able to find any space comparable for the retirees and staff in the City. He reiterated that it the most important issue is to be financially responsible.

Finance Committee

Auditor Interviews

Miss Munson reported that the committee interviewed two accounting firms: Alan C. Young & Associates, PC and George Johnson & Company and is prepared to make a recommendation today. This is an item under New Business.

Actuarial Equivalence Software Update Quote

Miss Munson reported that the committee reviewed the quote for the actuarial equivalence software update.

Trustees

Trustee Moore requested to discuss the travel policy. He stated that he was elected by the retirees who knew where he lived, and the rules were changed which put him in a situation where he could be present but not able to vote. He believes that he can continue to bring a lot to this Board with his expertise if the proper tools and opportunities are given. He asked about the status of the election process and he referenced the Attorney General's opinion which was given in February this year.

Chairman Albritton stated that the details of the Attorney General's opinion will be discussed under Legal Report and requested only to discuss the travel policy here. He said that the System has a Training & Education policy for conference travel and that there was never an issue with traveling to the meetings because there were previously no Trustees living outside of the community. He explained that he is uncomfortable with the System paying for this type of travel expense and that these issues such as this would need to be decided by the full Board.

Trustee Moore stated that it should be a standard operational procedure for Trustees out of town who need to attend meetings. He also stated that there is a travel policy that covers conferences, however this policy does not cover the most important part of Trustees' responsibilities which is being able to attend meetings. He said that this policy should pass expeditiously. He also commented that he would not have resigned if such a policy was in place.

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Trustee Greimel asked for clarification of whether Trustee Moore's resignation had already taken effect when he turned in his resignation and the Board accepted it at the January 2022 meeting.

Chairman Albritton responded that Trustee Moore's resignation goes into effect when his successor is elected.

Trustee Moore stated that - considering the additional information presented and if the open position has not been offered to the general public - he would ask the Board to consider rescinding his resignation.

Chairman Albritton explained the difference between this resignation and the last resignation Trustee Moore turned in is that there was never a resolution last time and the Board gave him an opportunity to reevaluate his position. He said that this particular time the resignation was accepted with a resolution. He stated that Trustee Moore submitted a letter with reasons for the resignation, and the letter did not mention anything about a travel policy or meeting requirements being the reason for resignation.

Cynthia Billings-Dunn stated that Robert's Rules essentially state that once a board takes an action on a resignation, it cannot be rescinded. She noted that Robert's Rules are not law and that these are rules that this Board has chosen to follow. She stated that the bottom line under Robert's Rules is that the Board cannot rescind the vote acted on the resignation.

Trustee Moore asked if there is anything in Robert's Rules that indicates that the Board can overrule Robert's Rules and make their own rules.

Ms. Billings-Dunn stated that Robert's Rules are not statute and that they are rules certain boards choose to follow.

Trustee Moore asked the Board to consider to honor his request for a rescission so he can serve the rest of the term that the retirees elected him to serve until 2023 under the circumstances based on the new information received.

Trustee White asked Ms. Billings-Dunn if there is any additional information such as new state-issued rules for municipalities that she was going to talk about under her report that the Board should consider before making a decision on this.

Ms. Billings-Dunn gave an update on the Open Meetings Act. She reported that there are currently three bills that have been pending since last year to amend the Open Meetings Act. One bill would specifically exempt retirement systems from the boards which require Trustees to be in-person to conduct business. The other bill is to amend the Open meetings Act to continue to allow remote participations for medical conditions in addition to serving in the military. The third proposed bill is to amend the Open Meetings Act to essentially put boards back in the position prior to COVID meaning Trustees could participate remotely provided a physical space is provided for the members of the public to come and listen to what is going on. She also said the opinion Attorney General issued on February 4, 2022 allows reasonable accommodations for individuals who qualify for the ADA, allowing remote participation including not only for the board members but also the members of the public.

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Chairman Albritton stated that it would be irresponsible for this Board to pay for travel for Trustees to come to a meeting regardless of where they live. This could open a can of worms where questions would come up if mileage for all other Trustees should be paid.

Trustee Moore stated that if it allows Trustees to travel to attend conferences, it should also allow payment for Trustees elected by the members of the System to come to a meeting.

Ms. Billings-Dunn stated that whether to reimburse mileage for Trustees to attend a meeting can be authorized by the Board but that is not the current policy.

Trustee Walker stated that the money belongs to the retirees and that it is irresponsible for the Board to spend their money on travel to attend meetings.

Trustee Carrington asked what the implication would be as it relates to Robert's Rules of Order if the Board went against the current policy regarding rescinding the prior acceptance of the resignation.

Ms. Billings-Dunn explained that the Board currently follows Robert's Rules which were put in place so there is guidance to follow when situations arise. If the Board chooses to change its policy and not follow Robert's Rules anymore or deviate from them, it is up to them. The Board decides what rules to follow.

Vice-Chair Giddings stated that Ms. Billings-Dunn told the Board that they have to follow Robert's Rules a few years back because it is what is set. He has a problem with her now coming back saying the Board does not have to follow and can pick and choose.

Ms. Billings-Dunn responded that she always said that Robert's Rules are not statute.

Trustee Carrington stated that if the Boards decide to rescind the resolution accepting the resignation, then a new travel policy needs to be adopted. It does not make sense to rescind the resolution of the resignation and not cover the Trustees' travel cost.

There were additional discussions.

Trustee Walker made a motion to rescind Trustee Moore's resignation.

Trustee Swazer supported.

Trustee Carrington stated that the Board needs to take a formal step to waive Robert's Rules.

Ms. Billings-Dunn stated that the proper way to do this is to waive Robert's Rules.

Trustee Walker rescinded his motion and made a new motion to vote whether this Board is going to abide by Robert's Rules.

Trustee Swazer supported.

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RESOLUTION 22-024 By Walker, Supported by Swazer

Resolved, That the Board approves to uphold and abide by Robert's Rules of Order.

ROLL CALL:

Albritton – Yes	Moore – Abs
Carrington – Yes	Parker – Yes
Giddings – Yes	Swazer – Yes
Greimel – Yes	Walker – Yes
King – Yes	White – Yes
Miriani – Yes	

Trustee Carrington asked if Attorney General's opinion would be relevant to this issue that it would allow Trustees to continue to participate in meetings virtually.

Ms. Billings-Dunn stated that the Attorney General has issued an opinion that a reasonable accommodation could be allowed for qualified individuals with a disability under the American Disabilities Act to participate in meetings remotely. She explained that if individuals with immune conditions cannot attend meetings in-person, there has to be a document or doctor's note which must be conveyed to the Board.

Chairman Albritton stated that it is irresponsible now to start the policy to reimburse Trustees to travel to attend meetings. He also stated that this is unnecessary expense either for the elected Trustees or the appointed Trustees.

Trustee Moore stated that it is important for Trustees to be able to attend their own meetings.

Trustee Carrington stated that there is not enough information on population or cost estimates to decide on making this type of policy changes. He suggested to deliberate more with something in writing to take a look at and digest before making this type of changes.

RESOLUTION 22-025 By Walker, Supported by Swazer

Resolved, That the Board approves to amend the Training and Education policy to allow the System to reimburse Trustees for expenses incurred when traveling to and from the meetings.

ROLL CALL:

Albritton – No	Moore – Abs
Carrington – No	Parker – No
Giddings – No	Swazer – No
Greimel – No	Walker – No
King – No	White – No
Miriani – No	

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GERS Transition Update Reports

Chairman

Chairman Albritton reiterated in response to the public comment that the Board members do not have private meetings to discuss business.

EXECUTIVE DIRECTOR REPORT

Unaudited Financial Statements and Budget Update: Q4 2021

Miss Munson reported that the preliminary 2021 budget came just under 4% of the adopted budget for last year. She explained that the reduction is due mostly to the reduction in payroll which resulted from the change in membership.

Correspondence from City Council

Miss Munson reported that the request was sent to City Council to reappoint the two Citizen Trustees and that they responded they received the correspondence.

Crain's Article RE: Michigan Pension Income Taxability Proposal

Miss Munson reported that there is an article about proposed changes to the Michigan pension income tax exemptions. There is a proposal to change Michigan pension tax exemption amount from \$20K to \$40K for single people and from \$40K to \$80K for married people.

Disability Annual Procedures Report

Miss Munson reported that Mr. Major's tax transcript for 2020 is still outstanding. The staff is working with him trying to get a copy from the IRS and provided him with the instruction to get transcripts online. She also reported that Mr. Major is scheduled for re-examination on March 24, 2022.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

RE: Resolution to Approve Auditor Selection

Miss Munson reported that the Finance committee met with the two firms recommended by Plante Moran: Alan C. Young & Associates and George Johnson & Company. The committee thought they both were equally qualified and chose George Johnson & Company. She reported that she had discussed the transition with someone from the state Treasurer's office. She reminded the Trustees that the state requires an audit for the period which includes the zeroing out of the old GERS. Instead of requiring two audits – a year end and a close out audit – the state will accept one extended period audit. She also reported that the state approved the System's application to extend the deadline for the extended period audit to July 31, 2022 instead of June 30, 2022

RESOLUTION 22-026 By Carrington, Supported by Walker

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Resolved, That the Board approves the Finance Committee's recommendation to select George Johnson & Company to perform the 2021 – 2022 audit, and further

Resolved, That the Board authorizes the Chairman and Vice-Chairman to negotiate the fee with the amount equal to or less than the amount proposed by George Johnson & Company.

Yea: 10 – Nay: 0

RE: Resolution to Approve Election Canvasser and Inspectors

Miss Munson explained that Trustee Swazer is typically the canvasser for Trustee elections. However, there has not been a recommendation from either committees for this election and she requested that the Board make a selection today. She also explained that Sysetm's Election Rules appoint staff as inspectors for elections. Normally two employees record the vote count. Due to the staff shortage a second inspector is needed.

Trustee Walker volunteered to serve as an inspector.

RESOLUTION 22-027 By White, Supported by Walker

Resolved, That the Board appoints Trustee Billie Swazer as the Trustee Election Canvasser and, further

Resolved, That the Board approves an exemption to the Election Rules to allow the Executive Director to select one non-staff Election Inspector for the 2022 Member-Trustee Election who will be Trustee James Walker.

Yea: 10 – Nay: 0

LEGAL REPORT

Update on Open Meetings Act

Discussed under the Report section.

Robbins Gellers January 28, 2022 Portfolio Monitoring Report

This is for the Trustees' information.

Ms. Billings-Dunn commented on private meetings that under the Open Meetings Act noting that Trustees are not prohibited from being together one-on-one in the same room. There is nothing illegal about that.

RE: Resolution to Approve Closed Session Minutes: November 17, 2021 and January 26, 2022.

RESOLUTION 22-028 By Swazer, Supported by Walker

Resolved, That the Board approves the November 17, 2021 and January 26, 2022 closed session minutes.

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Yea: 10 – Nay: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, March 30, 2022 9:00 a.m.

RESOLUTION 22-029 By Walker, Supported by White

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 10:54 A.M.

Yea: 10 – Nay: 0

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System
held on March 2, 2022.

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