

**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, September 28, 2022 at City of Pontiac Reestablished General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 9:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Robert Giddings, Vice-Chair
Tim Greimel, Mayor
Lisa King
James Miriani
William Parker Jr., City Council
Billie Swazer
Patrice Waterman
James Walker
John White

OTHERS

Cynthia Billings-Dunn, Asher Kelly
David Lee, Dahab Associates
Deborah Munson, Executive Director
Xiaotian Xue, Executive Assistant

AGENDA CHANGES

Miss Munson requested that New Business be amended to add a resolution to reschedule the November meeting.

RESOLUTION 22-057 By Waterman, Supported by Parker
Resolved, That the Board approves the agenda changes.

Yeas: 10 – Nays: 0

CONSENT AGENDA

- A. Approval of the Minutes of the Regular Board Meeting held on August 31, 2022.
- B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date September 28, 2022 **\$1,532,128.92**

Staff Pay Dates September 8 & 22, 2022 **\$23,105.20**

- C. Communications

- FOIA Request from with.Intelligence: September 1, 2022

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- FOIA Request from Zack Cziryak: August 29, 2022
- FOIA Request from eVestment: September 6, 2022
- FOIA Request from eVestment: September 9, 2022
- FOIA Request from FundMap: September 14, 2022
- Correspondence from TerraCap RE: Austin Acquisition
- Correspondence from TerraCap RE: Final Close
- Correspondence from TerraCap RE: Staff Changes
- Correspondence from TerraCap RE: Lake Point Commerce Center Sale

D. Financial Reports

- Accounts Payable: September 2022
- Attucks Manager-of-Manager Summary: August 2022

E. Private Equity Capital Calls & Distributions

- GrayCo Alternatives Distribution: September 16, 2022 \$1,494,253
- Mesirow Fund VI Distribution: August 29, 2022 \$105,000

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date	Amount

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

RETNO	NAME	Date of Death	Benefit Amount
701435	Haney, Eleftheria	08/22/2022	
1664	Taylor, Dorothy	08/18/2022	
12542	Walling, Cleo	08/30/2022	

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death	Amount
2500	Lopez, Raymond	Lopez, San Juana	08/27/2022	

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date	New Amount

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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Trustee Greimel said that he voted no for the August 31, 2022 resolution #22-052 approving Trustees attendance at the Motley Rice Pension Investors Conference.

RESOLUTION 22-058 By Swazer, Supported by Waterman

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for August 31, 2022.

Yeas: 10 – Nays: 0

CONSULTANTS

Dahab Associates Firm Update

Mr. Lee reported that the Bill Dahab had been promoted to CEO of Dahab Associates. Operationally, there is no relationship change between Dahab Associates and the System.

Preliminary Report: August 2022

Mr. Lee reviewed the August 2022 Preliminary Performance Report. He reported that the portfolio was valued at \$449M as of August 31, 2022.

Periodic Rebalancing

RESOLUTION 22-059 By Swazer, Supported by Waterman

Resolved, That the Board approves the Consultant's recommendation to rebalance the portfolio by transferring \$3,000,000 each from Xponance and Loomis, Sayles to the cash manager to pay for benefits and expenses.

Yeas: 10 – Nays: 0

REPORTS

GERS Transition Update

Trustee Swazer asked Trustee Greimel about the City's position on the transfer of all of the assets from the old GERS to the new GERS since that was the vote of the CPREA membership.

Trustee Greimel responded that the City is strongly in favor of moving all of the assets from the old GERS to the new GERS and has been for a long time. However, CPREA's leadership – by that he means the Chair

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or the attorneys – do not seem to agree that the CPREA membership voted for that. And when he looked at the minutes from the June CPREA meeting, there seemed to be some ambiguity. He understands that there has been a subsequent request to revise the draft minutes. He asked Miss Munson for clarification.

Miss Munson responded that – based on emails on which she was copied - retiree Robert Marchbanks, who made the motion to approve pre-funding the permanent increase and to transfer all of the assets from the old GERS to the new GERS, has made more than one request to the CPREA Board to revise the June meeting minutes so that they reflect his resolution as he originally stated it, which the draft minutes do not.

Trustee Greimel confirmed that the retiree who made the motion is stating that the minutes do not accurately reflect his motion, however, those minutes have not been revised.

Miss Munson referenced the June 3, 2022 email from CPREA Board President Claudia Filler to Chairman Albritton stating that the CPREA membership voted 32 – 16 to transfer all the assets remaining in the old GERS to new GERS, which is included in today's agenda. Miss Munson will re-send the email to Trustee Greimel and the rest of the Board.

Trustee Greimel said that Claudia Filler said the vote by the CPREA membership was not to transfer all the assets from the old GERS to the new GERS. The vote was to transfer only enough out of the old GERS to fund the monthly stipend. What we all know is that the only way to fund the monthly stipend is to transfer all of the assets from the old GERS to the new GERS. Ms. Filler and CPREA attorney Peter Alter are saying we don't know for sure because we don't have an actuarial study. He said he told them that we have got all the actuarial studies that we need for the GERS and the VEBA. Ms. Filler is Chair of the VEBA Board and she and the attorney are saying we need a new and independent actuarial study. Their position is that only enough money to fund the stipend should be transferred to new GERS, which is not what her email indicates the CPREA membership voted for.

Trustees Walker and Swazer and Ms. Billings-Dunn all referenced the fact the PA 314 requires that the GERS actuary perform any actuarial analysis that is required in order to increase pension benefits.

Trustee Greimel reiterated that he and the City attorney have conveyed this more than once to Ms. Filler and Peter Alter. He asked why they are even talking about wasting time and money on an independent actuarial study.

Trustee Waterman asked whether Trustee Greimel could bring this matter of the actuaries to the attention of the mediator.

Trustee Greimel said this matter will be brought to the attention of the mediators.

Personnel & Administration and Finance Committees

Monthly Disability Annual Procedures Report – Re-Examination Report (Confidential)

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Miss Munson reported that both committees reviewed the report.

Bereavement Leave Request

Miss Munson reported that both committees are recommending for approval the item under New Business to restore 40 hours of vacation leave to the Executive Director as bereavement leave.

Expense Budget: Proposed 2023 Final Reading

Miss Munson reported that both committees are recommending approval of the proposed 2023 Expense Budget.

PA 492 Compensation Legal Opinion

Miss Munson reported that both committees reviewed the legal opinion and would like to discuss it further at their next committee meetings to determine the best path forward.

Reschedule November Committee Meeting

Miss Munson reported that both committees are recommending that the Board approve to reschedule the November Board meeting.

SECURE Act Proposed Ordinance First Reading September 20, 2022: Informational Only

Miss Munson reported that both committees received the update of the SECURE Act ordinance, which was adopted at the Council meeting on September 27, 2022.

Correspondence RE: Plan Closure Ordinance

Miss Munson reported that both committees reviewed the correspondence. MAPE is in negotiation on their new collective bargaining agreement which will close the Retirement System completely. The new CBA would close the Plan to anyone that is hired after July 1, 2022. There are 2 employees who have been hired into the MAPE union since July 1, 2022. The current MAPE agreement states that the agreement will continue pending completion of negotiations. The Court's question is whether the 2 employees that were hired during the gap period between the July 1, 2022 and the completion of the negotiations will be members of the Retirement System. The Retirement System Ordinance vests the Board with the authority to determine membership and this matter will come back to the Board once the agreement is concluded.

Correspondence: CPREA Membership Vote and Request for City's Position on Permanent Increase

Miss Munson reported that the correspondence was sent to all Trustees. Trustee Greimel just confirmed that the City's position is that all of the assets in old GERS will be transferred to the new GERS.

Consequent Capital Management Update

Miss Munson reported that finance committee received an update from Consequent Capital Management. The presentation is included with the handouts and should be considered confidential. Consequent reports to the committee once or twice a year on the status of the GrayCo Alternatives I investment. Included in the Consent Agenda is a copy of the GrayCo Alternatives I Distribution which the System received last week.

Investment Manager Review Discussion

Miss Munson reported that both committees discussed the Investment Manager/Annual Meeting and - due to amount of planning and notice that is necessary - it is unlikely that either meeting will occur before

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the end of the year. The committees discussed having an in-person investment manager review in the first quarter of 2023. The Annual Meeting of the Membership would ideally be held once a conclusion had been reached on the permanent increase.

EXECUTIVE DIRECTOR REPORT

Summary Annual Report Update

Miss Munson reported that the SAR was mailed to members on September 23, 2022.

Annual Political Contribution and Fee Disclosures

Miss Munson reported that the forms were sent to investment managers and service providers on September 26, 2022.

Notice to Active Members RE: Immediate Vesting

Miss Munson reported that the notice was sent to affected members on September 26, 2022.

Monthly Disability Annual Procedures Report

Miss Munson reported that both committees received the report. There are 2 members who are going through the income verification process. The requests for transcript were faxed to IRS on September 2, 2022. Staff will follow up and the 2 members will be given at least 30 days to submit the transcript.

Miss Munson reported that there is one duty-disability retiree who was scheduled to be converted to an age and service retirement this month. When a duty disability retiree retires and receives weekly Workers' Compensation payment, the retiree earns service credit during the period they are receiving those weekly payments. Once the weekly WC payments stop, the member's pension is recalculated to include the additional service credit. The ordinance provides that a retiree's duty-disability pension prior to turning age 65 will be the greater of their revised age and service pension or the weekly WC payments converted to an annual basis. For this member, her revised age and service pension was greater than her weekly WC payments so she has been receiving an age and service pension since 2001. She turned 65 in September but no further action is required for her. She will be removed from the disability report at the end of the year. There are no other conversions remaining for 2022.

UNFINISHED BUSINESS

Proposed 2023 Expense Budget

RE: Resolution to Adopt 2023 Expense Budget

RESOLUTION 22-060 By Swazer, Supported by Waterman

Resolved, That the Board approves the 2023 Expense Budget as presented.

Yeas: 10 – Nays: 0

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NEW BUSINESS

RE: Resolution to Approve Request for Bereavement Leave

RESOLUTION 22-061 By Waterman, Supported by King

Resolved, That the Board approves 40 hours of bereavement leave for the Executive Director to cover 2022 time off taken for the death of an immediate family member.

Yeas: 10 – Nays: 0

RE: Resolution to Approve November Board Meeting Rescheduling

RESOLUTION 22-062 By Waterman, Supported by Swazer

Resolved, That the Board approves to reschedule the regular November Board Meeting to November 30, 2022.

Yeas: 10 – Nays: 0

LEGAL REPORT

Robert Jamieson Guardianship

This is for the Trustees' information.

Robbins Geller August 2022 Portfolio Monitoring Report

This is for the Trustees' information.

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 22-063 By Swazer, Supported by Walker

Resolved, That the Board approves to go into the Closed Session to discuss Grubhub, Inotiv, Robertson, and Onyx matters.

ROLL CALL:

Albritton – Yes	Miriani – Yes
Carrington – Yes	Parker – Yes
Giddings – Yes	Swazer – Yes
Greimel – Yes	Waterman – Yes
King – Yes	Walker – Yes

The Board went into closed session at 9:53 A.M.

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The Board returned from closed session at 10:24 A.M.

RE: Resolution to Approve the Recommendation of Legal Counsel in Closed Session

RESOLUTION 22-064 By King, Supported by Walker

Resolved, That the Board approves the Recommendation of Legal Counsel in Closed Session.

Yeas: 9 – Nays: 1 (Waterman)

RE: Resolution to Approve Closed Session Minutes: August 31, 2022

RESOLUTION 22-065 By Waterman, Supported by Miriani

Resolved, That the Board approves the August 31, 2022 closed session minutes.

Yeas: 10 – Nays: 0

PUBLIC COMMENT: None

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, October 19, 2022, 9:00 a.m.

RESOLUTION 22-066 By Swazer, Supported by Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 10:26 A.M.

Yeas: 10 – 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 September 28, 2022.

As recorded by Xiaotian Xue, reviewed and edited by Legal Counsel and the Executive Director