

**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, February 22, 2023 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 9:05 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chairman
Robert Giddings, Vice-Chair
Lisa King – *electronically (did not participate/vote)*
James Miriani
Tim Greimel, Mayor
William Parker Jr., City Council – *electronically (did not participate/vote)*
Billie Swazer
Patrice Waterman
James Walker
John White

OTHERS

Linda Watson, Retiree
Cynthia Billings-Dunn, AsherKelly
David Lee, Dahab Associates
Steven Roth, Dahab Associates
Edith Meyers, Finance Officer
Xiaotian Xue, Executive Assistant

AGENDA CHANGES: NONE

CONSENT AGENDA

- A. Approval of the Minutes of the Special Board Meeting held on January 25, 2023.
- B. Ratification of Retiree Payroll & Staff Payroll

| | |
|---|-------------|
| Retiree Pay Date December 14, 2022 | N/A |
| Retiree Pay Date January 25, 2023 | N/A |
| Staff Pay Dates December 1, 15 & 29, 2022 | \$29,154.78 |
| Staff Pay Dates January 12 & 26, 2023 | \$11,666.26 |

- C. Communications
Correspondence from Attucks: Organizational Change
- D. Financial Reports
 - Accounts Payable: December 2022 & January 2023
 - Attucks Manager-of-Managers Summary: November & December 2022

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- Statement of Changes
- E. Private Equity Capital Calls & Distributions:
- Wellington Distribution: December 2, 2022 \$ 15,024.65
 - TerraCap Distribution: December 23, 2022 \$ 479,864.69
 - Mesriow Fund IV Distribution: December 29, 2022 \$ 35,011.21 Distribution
12/29/22, moved into Cash Manager Acct 01/09/2023
 - Mesriow Fund VI Distribution: December 29, 2022 \$ 33,010.58 Distribution
12/29/22, moved into Cash Manager Acct 01/09/2023
 - Wellington Distribution: January 4, 2023 \$ 17, 115.47

F. Retirement Benefits

1. New Retirements

| RETNO | NAME | Effective Date |
|-------|----------------|----------------|
| 2937 | Allen, Veonna | 02/01/2023 |
| 2938 | Goodman, Tommy | 02/01/2023 |

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

| RETNO | NAME | Date of Death |
|--------|------------------|---------------|
| 701133 | Tavolette, Ruth | 11/14/2022 |
| 1945 | Marva Cross | 12/10/2022 |
| 1303 | Marguerite Greer | 1/2/2023 |
| 1379 | Edith Johnson | 1/16/2023 |

3. J&S Continued Retirements

| RETNO | Retiree's Name | Survivor's Name | Date of Death |
|--------|----------------|-----------------|---------------|
| 702361 | Foley, James | Foley, Diana | 11/16/2022 |

4. Re-calculated Retirements

| RETNO | Member's Name | Reason for Change | Effective Date |
|-------|--------------------|-------------------|----------------|
| 2882 | McCaffery, Gregory | Pop-Up | 1/1/2023 |

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 |
|-------|---------------|--------|
|-------|---------------|--------|

RESOLUTION 23-002 By Swazer, Supported by Walker

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for January 25, 2023.

Yeas: 8 – Nays: 0

CONSULTANTS

Preliminary Report – December 2022

Mr. Roth reviewed the December 2022 Preliminary Performance Report. He reported that the portfolio was valued at \$435M as of December 31, 2022.

Kennedy Capital Commission Recapture

Mr. Roth reported that Kennedy Capital misinterpreted the correspondence with Miss Munson dated September 2022 and started sending trades to a commission recapture program to support women and minorities that GERS/REGERS doesn't have contract with. There are \$472 in rebates generated from the trades, which won't be released to the System until a valid contract for the program is in place.

Trustee Greimel stated that it makes no sense to sign the contract to get the rebate, given it is not the System's instruction to make such trading but Kennedy's administrative error.

Chairman Albritton agreed with Trustee Greimel and stated that moving forward, as a Board we should start looking at more outstanding minority firms to do business with.

Mr. Roth indicated that he would follow up with the commission recapture firm to claim the \$472 in rebates for the System.

Attucks – Organizational Update

Mr. Roth reported on the Attucks organizational update and recommended to place Attucks on watch, in accordance with the Board's policy.

RE: Resolution to Place Attucks on Watch

RESOLUTION 23-003 By Swazer, Supported by Waterman

Resolved, That the Board approves the Consultant's recommendation to place Attucks on Watch for two

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quarters.

Yeas: 8 – Nays: 0

REPORTS

Trustees Report

Trustee Waterman stated that on behalf of the Trustees, she took the donation of \$150 to member Rose Wilson during the holiday. Rose appreciated the donation very much and she will send a thank-you letter to all the Trustees.

Vice-Chair Gidding stated that he will work with the staff to select one hospital retiree for the remaining donation of \$150, given that the originally selected hospital retiree turned down the donation.

Ms. Billings-Dunn supplemented that the above-mentioned donations were Trustees' personal donations.

Ms. Meyers reported that Miss Munson's family has requested that any donations on behalf of Miss Munson be made to the Cranbrook Upward Bound Program.

Committee Report

Attorney Billings-Dunn reported that the Personnel Committee reviewed the Disability Annual Procedures Report and noted that one member is to be converted in May 2023. They also reviewed the Deceased Members Report and the New Retiree Final Benefit Calculation Report. The Committee also reviewed the Employee Leave Balances Report.

Both committees reviewed the recruiting status and timeline. The deadline for resume submission is January 27, 2023, the interviews will start on January 31, 2023, and the plan is to have the new Executive Director onboard by March 6, 2023.

Attorney Billings-Dunn reported that both committees reviewed Miss Munson's vacation and sick time payout and recommended that it to be paid to her estate upon the receipt of the death certificate. Both Committees also reviewed the Option II benefit and recommended the Board approve the payment once the death certificate is received. Attorney Billings-Dunn reviewed her opinion dated January 24, 2023, regarding the Board's policy to require an affidavit to establish insurable interest. Lastly there was discussion that the life insurance and 457 plan benefit will be paid to the beneficiaries on file with the insurance companies and Miss Munson will be removed from staff health insurance dated back to the date of death, upon receipt of the death certificate.

RESOLUTION 23-004 By Swazer, Supported by Waterman

Resolved, That pending receipt of her death certificate, the Board approves to pay Deborah Munson's vacation and sick time to her estate.

Yeas: 8 – Nays: 0

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RESOLUTION 23-005 By Walker, Supported by Waterman

Resolved, That pending receipt of her death certificate, the Board approves the payment of Deborah Munson's Option 2 death benefit to Beryl Munson in accordance with Miss Munson's beneficiary designation dated April 29, 2021.

Yeas: 8 – Nays: 0

Attorney Billings-Dunn report that both Committees reviewed the MAPE correspondence regarding new hire membership; Ms. Meyers will follow up with the City for the update.

Both Committees reviewed the Trustees election process. Ms. Xue stated that the trustee vacancy notices will be sent out to all participants and recipients of pension benefits before January 27, 2023.

Both Committees reviewed the final Protective Order. It was noted that the Board has not received the acknowledgement from the CPREA actuary that they are bound by the protective order, and further they will have to provide a secure portal so that GERS/REGERS actuary can provide the information directly to the portal.

Attorney Billings-Dunn reported that the Finance Committee reviewed the preliminary performance and monthly asset level for December 2022 with the consultants. They also reviewed the Kennedy Commission Recapture issue and the Attucks Organizational Update as reported under the consultant's report. She stated that the Committee also reviewed the investment related reports.

Vice-Chair Gidding stated that there were some glitches in January's payroll and 177 retirees received double pension payment due to the non-taxable code setting in the payroll system, that affected mainly hospital retirees. He stated that a letter has been prepared to send out this week to the 177 retirees, and the overpayment will be reversed in February's payroll. It has been posted to the Hospital retirees Facebook page and an email has been sent to hospital retirees.

Trustee Greimel asked how the issue was sorted out.

Vice-Chair Giddings responded that there was a code that Miss Munson used for certain pay categories in the payroll system that no one was aware of, not even the ADP specialist. It has been corrected.

Attorney Billings-Dunn stated that the Personnel Committee discussed the office staffing and recommended hiring temporary staff to help so that high level responsibilities get done.

RESOLUTION 23-006 By Waterman, Supported by White

Resolved, That the Board approves to hire temporary secretarial staff to support the Office administrative tasks, until such time as the System is fully staffed.

Yeas: 8 – Nays: 0

EXECUTIVE DIRECTOR REPORT

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Asset Transition Monthly Update – No report

IRS Mileage Rate 2023 – the Trustees noted the IRS mileage rate of 65 ½ cents per business mile.

Trustee Election – Notice of Vacancy – This was discussed above under the Committee reports.

UNFINISHED BUSINESS

Recruiting Update for Executive Director- This was discussed above under the Committee reports.

NEW BUSINESS

RE: Resolution to Approve Trustees to Attend MAPERS One Day Seminar

RESOLUTION 23-007 By Swazer, Supported by Waterman

Resolved, That the Board approves Trustees to attend MAPERS One Day Seminar.

Yeas: 8 – Nays: 0

RE: Resolution to Approve 1 Staff to Attend MAPERS One Day Seminar

RESOLUTION 23-008 By Swazer, Supported by Waterman

Resolved, That the Board approves Finance Officer, Edith Meyers to attend MAPERS One Day Seminar.

Yeas: 8 – Nays: 0

RE: Resolution to Ratify Chairman's Signature on the Comcast Agreement

The phone service for the Office was switched from AT&T to Comcast on January 19, 2023, saving the System \$700 per month with better quality landlines and fax service, plus the internet speed was doubled. The toll-free number was cancelled as it was rarely used.

RESOLUTION 23-009 By Swazer, Supported by Waterman

Resolved, That the Board ratifies the Chairman's signature on the Comcast Agreement.

Yeas: 8 – Nays: 0

Chairman Albritton and Vice-Chair Giddings expressed appreciation to the staff for the extra efforts that have been made under this difficult time.

LEGAL REPORT

Stipulated Protective Order in the Matter of CPREA, et al. v. City of Pontiac, et al.

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This is for the Trustees' information. The System will provide the members data once the CPREA actuary signs the Order and provides a secure portal for data uploading.

Request and Writ for Garnishment – Steven Paruch

This is for the Trustees' information. In general, pension benefits are not subject to garnishment as it is protected under the State and Federal laws.

United States of America v. Stephanie Ann Sumner – Writ of Continuing Garnishment and Stipulated Order to Pay

This is for the Trustees' information. Ms. Meyers is working with ADP so that \$200 payment will be remitted directly to the Clerk of the Court.

US Real Estate Investment Fund, LLC – Second Amended and Restated Confidential Private Placement Memorandum and Amended and Restated Limited Liability Company Agreement

Attorney Billings-Dunn presented a summary of the amended Private Placement Memorandum and Restated LLC Agreement for Trustee information.

Robbins Geller November and December 2022 Portfolio Monitoring Reports

This is for the Trustees' information.

Authorized Signer

Ms. Billings-Dunn commented that Miss Munson is still listed as an authorized signer with all investment managers. She will bring this back to the Board once a new Executive Director has been hired.

Zoom Participation

Ms. Billings-Dunn clarified the question regarding zoom participation. Prior to COVID, the Open Meetings Act (OMA) did not prohibit Trustees from attending meetings remotely, as long as there was a place that the public could come and sit and listen to the Trustees in their deliberations. In 2020 the OMA was amended to allow complete remote participation, however this expired on December 31, 2021. Currently, the Open Meetings Act only authorizes public officials to attend meetings virtually due to military duty. The State Attorney General has issued an opinion that would allow for remote participation as a reasonable accommodation under the Americans with Disabilities Act.

PUBLIC COMMENT – NONE

RE: Resolution to Go into Closed Session

RESOLUTION 23-010 By Swazer, Supported by Waterman

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

ROLL CALL:

Albritton – Yes

Swazer – Yes

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Giddings – Yes Waterman – Yes
Greimel – Yes Walker – Yes
Miriani – Yes White – Yes

The Board went into closed session at 10:11 A.M.
The Board returned from closed session at 10:35 A.M.

RE: Resolution to Approve Closed Session Minutes: November 30, 2022

RESOLUTION 23-011 By Swazer, Supported by Walker

Resolved, That the Board approves the November 30, 2022 closed session minutes.

Yeas: 8 – Nays: 0

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

RESOLUTION 23-012 By Swazer, Supported by Waterman

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

Yeas: 7 – Nays: 1 (Waterman)

RE: Resolution to Approve the Payment of New Retiree Tommy Goodman

The Trustees discussed Mr. Goodman's deferred vested retirement benefit amount. Mr. Goodman is a deferred vested member who is eligible to commence receipt of his monthly benefit effective February 1, 2023. While his monthly regular benefit had been estimated, a final benefit calculation had not been prepared nor had his optional forms of benefit been calculated. Attorney Billings-Dunn recommended that he be approved for a monthly \$1,000 stipend until his final benefit could be calculated. There was additional discussion that this stipend amount would be less than his final benefit amount and that once his final benefit amount is confirmed, he would receive a retroactive reconciliation payment.

RESOLUTION 23-013 By Walker, Supported by Waterman

Resolved, That the Board approves Mr. Tommy Goodman's deferred vested retirement effective February 1, 2023 with a \$1,000 stipend until such time as his final benefit can be calculated and reconciled with his statement.

Yeas: 8 – Nays: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, February 22, 2023, 9:00 a.m.

RESOLUTION 23-014 By Swazer, Supported by Walker

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned at 10:51 A.M.

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Yeas: 8 – 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 January 25, 2023.

*As recorded by Xiaotian Xue, reviewed and edited by
Legal Counsel*