

**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, January 31, 2024, 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 9:20 A.M.

**TRUSTEES PRESENT**

Sheldon Albritton, Chairman  
Robert Giddings, Vice-Chair  
Tim Greimel, Mayor – *came at 9:25 A.M.*  
William Parker Jr., City Council  
Billie Swazer  
James Miriani – *electronically under ADA accommodation*  
Lisa King  
Patrice Waterman  
James Walker  
John White

**OTHERS**

Linda Watson, Retiree  
Cynthia Billings-Dunn, AsherKelly  
David Lee, Dahab Associates  
Michael Nicholas, George Johnson  
David J. Esshaki, George Johnson  
Stephen Hagenbuckle, TerraCap  
Patrick Mellon, TerraCap  
Claire Hare, First Eagle  
Tina Turner, Executive Director  
Edith Meyers, Finance Officer  
Xiaotian Xue, Executive Assistant

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**AUDITED FINANCIAL STATEMENTS PRESENTATION: GEORGE JOHNSON COMPANY-DRAFT**

Mr. Nicholas reported that the audit has been completed for the year ended December 31, 2022, which was conducted in accordance with generally accepted auditing standards in the United States of America and an unmodified opinion on the financial statements will be issued. The objective of the audit was to obtain reasonable, although not absolute, assurance about whether the financial statements were free from material misstatements. The scope was the same as described both in engagement communications letter and the Audit Plan Summary provided to management prior to the start of the audit. The records and information requested were available for audit, and full cooperation from management was received.

Mr. Nicholas pointed out that the key audit areas were focused on investments, participant data, benefit payments, and administrative expenses. He reported certain items that were required under professional standards to discuss briefly with the Board: Note B to the financial statements contains significant accounting policies and practices used by the System; the most sensitive estimates contained in the financial

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statements were the total pension liability, and the estimated fair value of certain investments not recorded at quoted market prices. The auditors took note of the key factors and assumptions which were used to develop both sets and values and consider them to be reasonable in relation to the financial statements taken as a whole. There were no disclosures in the financial statements that were considered to be significantly sensitive; there were no changes in accounting principles during the year and there were no material, corrected misstatements identified during the course of the audit. He continued that there were no unrecorded misstatements; there were no disagreements with management on any financial or reporting matters or auditing procedures that the audit team felt might modify either the financial statements or the report that they expect to issue. The auditors are not aware of any consultations that management had with other independent public accountants since they were engaged to perform services for the System, nor are they aware of any opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles. There were no major issues that were discussed with management before they were retained to conduct the audit and there were no significant issues or difficulties that occurred during the audit; there was no discussion the auditors had with management concerning any alternative methods of accounting treatments or unusual transactions. Upon approval of these draft financial statements by the Board, audit work will be completed to bring audit procedures up to date in real time. As part of which, the audit team will get a required representation letter from management before issuing the signed audit.

Mr. Esshaki reviewed the financial comparison of 2022 vs. 2021 in the financial statements, which combines both the data of both GERS and Reestablished GERS. The total assets decreased about 28% from \$599.8M to \$434.4M, which was largely due to the transfer of assets to the VEBA and investment market performance downturn and was within close range to what the equity market did at the same period. The net investment appreciation in 2021 flipped to depreciation in 2022 because of the impact on market performance. For benefit payments and administrative expenses, the participant benefit payments decreased mainly due to the ending of \$400 stipend payment in February 2022. In addition, the System transferred \$76.1M and \$8.0M in 2022 and 2021 respectively to the City of Pontiac for investment in the City of VEBA Trust.

Mr. Esshaki indicated that the audit team considered the internal control over financial reports as a basis for designing the auditing procedures for the purpose of expressing auditors' opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. He reported that there is no material weakness, significant deficiency or control deficiency.

Trustee White asked the estimated man-hours of the 2022 audit.

Mr. Esshaki responded that it's roughly 100-120 man-hours, and it's about the average of other clients with similar size.

**RESOLUTION 24-001** By Swazer Supported by King

**Resolved**, That the Board approves to receive and file the 2022 Audited Financial Statements as presented by George Johnson Company, and, further Resolved that the Board directs the Executive Director to provide a copy of the 2022 Audited Financial Statements to the Pontiac City Council.

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Yeas: 8 – Nays: 0

**CONSENT AGENDA**

A. Approval of the Minutes of the Regular Board Meeting held on November 29, 2023.

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date December 13, 2023	\$	N/A
Staff Pay Dates December 14, 2023	\$	N/A
Staff Pay Dates December 28, 2023	\$	N/A
Retiree Pay Date January 31, 2024	\$	N/A
Staff Pay Dates January 11, 2024	\$	11,913.04
Staff Pay Dates January 25, 2024	\$	11,159.47

C. Communications

- 2024 MAPERS Winter/Spring Events
- 2024 TerraCap Annual Conference

D. Financial Reports

- Accounts Payable: December 2023                   \$ 103,802.32
- Accounts Receivable: December 2023           \$ 15,027.75
- Accounts Payable: January 2024                 \$ 150,753.01
- Accounts Receivable: January 2024             \$ 35.00
- Attucks Manager-of-Managers Summary: November 30, 2023
- Attucks Manager-of-Managers Summary: December 31, 2023

E. Private Equity Capital Calls & Distributions:

- Distribution in December 2023:
 

Wellington Distribution - December 4, 2023	\$ 13,253.85
Mesirow Fund IV Distribution – December 27, 2023	\$ 85,006.57
Mesirow Fund VI Distribution – December 27, 2023	\$ 99,026.04
- Distribution in January 2024:
 

Wellington Distribution - January 3, 2024	\$ 20,212.65
UBS Distribution- January 23, 2024	\$ 22,867.33
Invesco Distribution- January 24, 2024	\$ 53,391.08

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date
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2946	Michael Acord	01/01/2024
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**Bold type entry indicates Reciprocal service credit.**

2. Terminated Retirements

RETNO	NAME	Date of Death
1868	Carolyn Clark	11/18/2023
1319	Arnold Rouser	12/3/2023
1671	Patricia Fleming	12/3/2023
2125	Beatrice Hernandez	12/16/2023
1721	Darlene Gerue	12/15/2023
1656	Patricia Nicholson	12/25/2023
2116	Joan Andree	1/2/2024
1762	Domingo Gonzales	1/13/2024

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death
701868	Carolyn Clark	William Clark	12/1/2023

4. Re-calculated Retirements

RETNO	NAME	Reason for Change	Effective Date
2945	Michael Collins	Final	1/1/2024

*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	NAME	Effective Date
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6. Refunds of Employee Contributions

RETNO	NAME	Effective Date
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**RESOLUTION 24-002** By Swazer, Supported by King

**Resolved,** That the Board approves and ratifies actions described in the Consent Agenda for January 31, 2024.

Yeas: 8 – Nays: 0

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**CONSULTANTS**

A. TerraCap

Mr. Hagenbuckle and Mr. Mellon, presented an overview of TerraCap Management including company background, strength, investment focus, portfolio performance, and funds acquisitions.

*Trustee Greimel came at 9:25 A.M.*

B. First Eagle

Ms. Hare reported on the company's investment philosophy, risk management, portfolio performance, investment teams, current focus and initiatives.

**Break 10:42 A.M. – 10:56 A.M.**

C. Preliminary Performance and Monthly Asset Level: November 30, 2023

This is for Trustees' information.

D. Preliminary Performance and Monthly Asset Level: December 31, 2023

Mr. Lee reviewed the December Preliminary Performance Report. He reported that the portfolio was valued at \$456M as of December 31, 2023.

E. Rebalance

**RESOLUTION 24-003** By Greimel, Supported by White

**Resolved**, That the Board approves the Consultant's recommendation to rebalance the portfolio by transferring \$3M from Xponance, and \$3M from First Eagle to the cash manager to pay for benefits and expenses.

Yeas: 9 – Nays: 0

F. Kennedy Capital – Investment Management Agreement & Fee Schedule

**RESOLUTION 24-004** By Waterman, Supported by Swazer

**Resolved**, That the Board approves to authorize the Chairman to sign the Investment Management Agreement and Fee Schedule for the Kennedy Small Cap Growth fund.

Yeas: 9 – Nays: 0

**REPORTS**

**Trustees Report**

Trustee Greimel stated that the \$400 stipend negotiation between CPREA and the City is still in progress and hopefully it will be finalized soon.

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Chairman Albritton and Trustee Waterman shared the updates of the conferences that they have attended respectively in January 2024.

**Committee Report**

Ms. Turner reported that both Committees reviewed the Monthly Disability Report, Staff Training Update, CPA Hiring Update, 2022 Audit Report Draft, 2024 Board Meeting Calendar, Upcoming Trustee Training and Conference, the Resignation of Trustee Sadowski; the 2023 W-2, 2023 1099R have been mailed. The Personnel Committee reviewed the Deceased Members Report, Employee Leave Balances; Member Trustee and Retiree Trustee Vacancy Notices have been mailed. The Finance Committee reviewed November and December Preliminary Performance and Monthly Asset Level, Rebalancing, Investment Manager Reports, Distributions, Forensic Audit Update, Accounts Payable and Accounts Receivable.

**EXECUTIVE DIRECTOR REPORT**

Ms. Turner reported that the training sessions by Phillip Moore were held twice in January 2024. The CPA position job description has been presented to the Trustees. She went through the upcoming Trustee training and conference which were included in the agenda.

**Resolution to Approve 2024 TerraCap Annual Meeting Attendance**

**RESOLUTION 24-005** By Swazer Supported by White

**Resolved**, That the Board approves Chairman Albritton to attend 2024 TerraCap Annual Meeting.

Yeas: 8 – Nays: 1 (Greimel)

Ms. Turner reported that Trustee Sadowski came in last week to return the iPad and informed that he resigned from the City.

Trustee Greimel consented to post the REGERS CPA position on the City's website.

Ms. Turner updated the searching of Forensic Audit firms, the quotations and comparison among the firms will be submitted to the February Committee Meeting and Board Meeting.

Trustees Giddings and Greimel asked if there is any reason or concern to proceed with the Forensic Audit?

Ms. Turner responded that the main purpose of the forensic audit is to have independent auditors' review to substantiate and validate the room for improvement in terms of process and procedures, which is out of the scope of the regular annual audit.

Ms. Turner reported that the Ethics Policy has been submitted to the Personnel Committee for reviewing and will be submitted to the Board once it is passed by the Personnel Committee. The Related Party Questionnaire has been handed over to all Trustees to complete. The Political Contribution and Fee Disclosure request forms have been sent out to all parties.

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**UNFINISHED BUSINESS: NONE**

**NEW BUSINESS**

**A. Resolution to Approve 2024 Board Meeting Calendar Update**

Ms. Turner reported that there are several changes in the calendar.

**RESOLUTION 24-006** By Swazer Supported by King  
**Resolved**, That the Board approves 2024 Board Meeting Calendar Updates.

Yeas: 9 – Nays: 0

**LEGAL REPORT**

1. Report from Legal Counsel

Kennedy Investment Management Agreement – Growth Strategy

This is for Trustees' information.

Hatchett Garnishment

This is for Trustees' information.

Pitchbook Data, Inc. FOIA

This is for Trustees' information.

Phillip Moore Employment Agreement

This is for Trustees' information.

Tax Treaty Documentation

This is for Trustees' information. IRS issued standard mileage rate of 67 cents a mile beginning Jan 1, 2024.

IRS 2024 of 2023 Amendment to the Open Meeting Act

This is for Trustees' information. The Act allows remote meetings, but it is not mandatory. An Attendance Policy must be set up and published if the Board decides to adopt the change.

Robbins Geller October 2023 Portfolio Monitoring Report

This is for Trustees' information.

**PUBLIC COMMENT**

Linda Watson made a public comment.

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**RESOLUTION 24-007** By Swazer, Supported by Waterman

**Resolved**, That the Board approves the Closed Session meeting minutes held on November 29, 2023.

Yeas: 9 – Nays: 0

**RE: Resolution to Go into Closed Session**

**RESOLUTION 24-008** By Walker, Supported by White

**Resolved**, That the Board approves to go into the Closed Session to discuss Hawaiian Electric Industries, Apellis Pharmaceuticals, Microsoft, and World Wrestling Entertainment matters.

Yeas: 9 – Nays: 0

ROLL CALL:

Albritton – Yes	Giddings – Yes
Greimel – Yes	Parker – Yes
Swazer – Yes	King – Yes
Waterman – Yes	Walker – Yes
White – Yes	

The Board went into closed session at 12:22 P.M.

The Board returned from closed session at 12:26 P.M.

**RESOLUTION 24-009** By Walker, Supported by Swazer

**Resolved**, That the Board authorizes Robbins Gell to file a Books and Records inspection request regarding the Microsoft derivative matter.

Yeas: 9 – Nays: 0

**RESOLUTION 24-010** By Walker, Supported by Swazer

**Resolved**, That the Board authorizes the ratification of the Chairman's signature on the Verified Complaint For Inspection of Books and Records regarding World Wrestling Entertainment, Inc.

Yeas: 9 – Nays: 0

**SCHEDULING OF NEXT MEETING/ADJOURNMENT**

**Regular Meeting: Tuesday, February 27, 2024, 9:00 a.m.**

**A. ADJOURNMENT**

**RESOLUTION 24-011** By Swazer, Supported by King

**Resolved**, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees'



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Retirement System be adjourned at 12:28 P.M.

Yeas: 9 – 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 31, 2024.

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