

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
NOVEMBER 22, 2019**

A special meeting has been scheduled for Friday, November 22, 2019, at 2:00 p.m. at the Pontiac General Employees' Retirement System office, 2201 Auburn Road, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 2:06 P.M.

TRUSTEES PRESENT

Sheldon Albritton, Vice-Chair (*via telephone*)
John Balint
Robert Giddings
James Miriani
Billie Swazer
James Walker (*arrived 2:08*)
Patrice Waterman, City Council (*via telephone*)

OTHERS PRESENT

Kristy Neumann, Executive Assistant
Deborah Munson, Executive Director

TRUSTEES ABSENT:

Walter Moore, Chair – Excused
Deirdre Waterman, Mayor – Excused
John White - Excused

PUBLIC COMMENT

None

AGENDA CHANGES

None

NEW BUSINESS

RE: Resolution to Purchase Fiduciary Liability Insurance

Miss Munson reviewed the follow-up questions sent to the agents, the comparison summary and insurance quotes with the Trustees.

Trustee Albritton asked whether it is proper to request that any provider disclose their commission and – if they do not – is it a negative for that company?

Trustee Giddings responded that it is proper and it is usually done. He noted that ERISA requires insurance agents to disclose their commission.

Trustee Swazer asked whether any insurance company offered multiple years' rate guarantees.

No one knew of a company that offered 3 to 5-year rate guarantees.

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Trustee Swazer stated that during the Personnel Committee meeting, Miss Munson reported that we have never reported a claim and suggested that we stay with who we have while we investigate other carriers.

Trustee Giddings replied that - although we have never made a claim - why should we continue to pay higher premiums.

Trustee Balint reported that the sub-committee reviewed coverage line by line comparing all carriers.

Trustee Albritton asked if the main reason for the review is price-shopping.

Trustee Giddings responded that suggested a few years ago that it would be a good idea to start looking at other options. He said that Huttenlocher doesn't have any other carrier than Chubb. He said that - as fiduciaries - it's a good practice to shop just like we evaluate the money managers, the auditors, the attorneys, the medical directors etc. We should be evaluating the insurance.

Trustee Walker asked how long we have been in business with them?

Miss Munson responded it has been at least since approximately 2011.

Trustee Waterman asked whether the NCPERS and MAPERS agents are in the city.

Trustee Swazer responded that Ullico is based out of Lansing and that Gallagher is based out of Illinois.

Trustee Walker stated that he believes in the value of long-standing relationships. He asked whether Huttenlocher was given a chance to match the price due to the history of a 7-10-year relationship.

Miss Munson responded that this is why the matter was tabled last month. She explained that Huttenlocher is the current agent and the policy renews on December 1 each year. She said Huttenlocher normally provides the renewal application in October but it had not been provided at the time that the finance committee directed that staff gather quotes from other brokers. Those were provided to the committee at the last meeting. Rather than moving forward without a quote from Huttenlocher, staff was directed to see whether Huttenlocher could submit a quote with a premium that is less than \$60,000 which the System currently pays. That is what is before the Trustees today – Huttenlocher's best offer which lowered the premium by ~\$12,000.

Trustee Balint reported that when comparing the carriers, the committee did also review the exclusions.

Trustee Giddings asked if they had come to any conclusion or recommendation?

Trustee Balint responded the committee felt the MAPERS had the better coverage in a few areas and would also cut the expense of the premium by approximately \$19,000.

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Trustee Waterman stated that after comparing the coverages it looks like MAPERS has better coverage, but she does not want to change coverage in this manner after the long history GERS has had with the current agent.

Trustee Walker indicated that he wanted it on record that he agreed with Trustee Waterman.

There was additional discussion.

RESOLUTION 19 – 141 By Albritton, Supported by Walker

Resolved, That the Board approves to renew the fiduciary liability insurance with the current vendor The Huttenlocher Group for the period December 1, 2019 thru January 1, 2021.

Albritton - Yes	Swazer – Yes
Balint – No	Walker – Yes
Giddings – No	P. Waterman – Yes
Miriani – Yes	

Yeas: 5 – Nays: 2
(motion failed)

Trustee Albritton asked whether the insurance would default back to the original carrier?

Miss Munson responded that if a decision is not made today, the current insurance will expire on December 1, 2019 and the two quotes will expire on November 30, 2019.

Trustee Giddings suggested going to Huttenlocher and requesting an extension of the current policy and bring the issue back at the regular Board meeting on December 4, 2019.

There was additional discussion.

Re: Resolution to Request Extension of Fiduciary Liability Insurance

RESOLUTION 19 – 142 By Albritton, Supported by Swazer

Resolved, That the Board directs the Executive Director to contact The Huttenlocher Group to request up to a two-month extension of the current coverage.

Albritton – Yes	Swazer – Yes
Balint – Yes	Walker – Yes
Giddings – Yes	P. Waterman – Yes
Miriani – Yes	

Yeas: 7 – Nays: 0
(motion passed)

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SCHEDULING OF NEXT MEETING/ADJOURNMENT

Special Meeting: Monday, November 25, 2019, 2019 4:00 p.m. – Retirement Office

Annual Meeting: Tuesday, December 3, 2019 9:30 a.m. St. Joseph Franco Center

Regular Meeting: Wednesday, December 4, 2019 10:00 a.m. – Retirement Office

RESOLUTION 19- 143 By Walker, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned 3:00 P.M.

Yeas: 7 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees Retirement System held on November 22, 2019

As recorded by Kristy Neumann, reviewed and edited by Legal Counsel and Executive Director