

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
APRIL 29, 2020**

A regular meeting of the Board of Trustees was held on Wednesday, April 29, 2020 via remote conference. The meeting was called to order at 9:00 A.M.

ROLL CALL

TRUSTEES PRESENT

Sheldon Albritton, Chair (electronically)
Robert Giddings, Vice-Chair (electronically)
James Miriani (electronically)
Walter Moore (electronically)
(electronically)
Samantha Powell (electronically)
Billie Swazer (electronically)
James Walker *arrv @ 9:16 AM* (electronically)
Deirdre Waterman, Mayor *arrv @ 9:14 AM* (electronically)
Patrice Waterman, City Council (electronically)
John White (electronically)

OTHERS

John Van Gorder, Seizert Capital Partners (electronically)
Andrew Jones, Seizert Capital Partners (electronically)
Thomas Kenny, Seizert Capital Partners (electronically)
Steven Hagenbuckle, TerraCap Management

Susana Davis, TerraCap Management (electronically)
Patrick Mellon, TerraCap Management (electronically)
Phil Brown, (electronically)

Linda Watson, Retiree (electronically)
Cynthia Billings-Dunn, Asher Kelly (electronically)
David Lee, Dahab Associates (electronically)
Steven Roth, Dahab Associates (electronically)
Kristy Neumann, Executive Assistant (electronically)
Deborah Munson, Executive Director

TRUSTEES ABSENT

None

PUBLIC COMMENT

None

MANAGER PRESENTATIONS

Seizert Capital: John Van Gorder, Andrew Jones & Thomas Kenny

Mr. Van Gorder introduced himself, Mr. Jones, and Mr. Kenny and thanked the Board for their time and the opportunity to serve the System.

Mr. Jones presented and reviewed the performance report as of March 31, 2020. The annualized returns (net of fees) were: QTD -21.58%, 1-year -7.21%, 3-year 1.64%, 5-year 4.86%; and 11.22% since inception.

TerraCap Management: Patrick Melton, Steven Hagenbuckle, Susana Davis

Mr. Melton thanked the Board for their business and introduced Mr. Hagenbuckle.

Mr. Hagenbuckle discussed the markets that have been impacted the most by the pandemic noting that Fund IV does not fall into those categories of retail or hospitality. He presented the firms overview and highlighted no changes in the firm's organization. He reviewed Fund IV Portfolio Summary.

AGENDA CHANGES

None

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APPROVAL OF CONSENT AGENDA

- A. Approval of the Minutes of the Special Board Meeting held on March 24, 2020
- B. Approval of the Minutes of the Regular Board Meeting held on March 25, 2020
- C. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date April 29, 2020	\$1,994,279.0213
Staff Pay Date April 9 & 23, 2020	\$21,986.65

- D. Communications
 - FOIA Request From/To Bloomberg PE: April 6, 2020
 - FOIA Request From/To Evestment: April 6, 2020
 - Correspondence from Principal RE: Fund Update
 - Correspondence from TerraCap RE: Fund Update
 - Correspondence from Victory RE: Downgraded Security Notification

- E. Financial Reports
 - Accounts Payable: April 2020
 - Dahab Associates Preliminary Report: March 2020
 - Attucks Manager-of-Managers Summary: March 2020
 - Statement of Changes: March 2020

- F. Private Equity and Real Estate Capital Calls & Distributions
 - Invesco Fund V Distribution: April 20, 2020 \$50,554
 - Mesirow Fund VI Capital Call: April 27, 2020 \$45,000

G. Retirement Benefits

1. New Retirements

RETNO	NAME	EFFECTIVE DATE	AMOUNT
2903	Tsai, Jawyeuan	6/1/2020	

- *Bold Type entry indicates Reciprocal service credit*

2. Terminated Retirements

RETNO	NAME	DATE OF DEATH	BENEFIT AMOUNT
702128	Tacia, Linda	4/12/20	
1630	Freeman, Yarbrow	12/7/19	
1226	Manley, Hattie	1/21/20	
2349	Jones, McKinley	3/12/20	

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3. J&S Continued Benefits

RETNO	MEMBER NAME	SURVIVOR	DATE OF DEATH	AMOUNT
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4. Re-Calculated Retirements

RETNO	MEMBER NAME	REASON	EFFECTIVE DATE	NEW AMOUNT
2179	Hemingway, Mary	Pop-Up	2/1/20	
602349	Jones, Sharon	Alt. Payee Pop-Up	4/1/20	
1582	Winter, Julia	Pop-Up	4/15/20	

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	MEMBERS NAME	REASON
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6. Refunds of Employee Contributions

RETNO	MEMBERS NAME	REASON	AMOUNT
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RESOLUTION 20–052 By P. Waterman, Supported by Moore

Resolved, That the Board approves and ratifies actions described in the Agenda for April 29, 2020

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - No
Moore – Yes	P. Waterman - Yes
Powell - Yes	White - Yes

Trustee Deirdre Waterman requested to state her amendment to the Consent Agenda.

CONSULTANTS

Mr. Roth presented and reviewed the performance report as of March 2020. The total portfolio market value was \$431,282,703. The returns were: 1 month (10.0%); QTD and YTD (14.7%), 1-year (6.2%), 3-year (3.1%) and 7.6% since inception. Mr. Roth reported a slight rebound and that - as of April 27, 2020 - the fund's portfolio had a total value of \$460,062,579 Million.

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Trustee Deirdre Waterman requested that the consultant provide an analysis comparing how the portfolio had performed compared to the Dow Jones Industrial Average given all of the recent volatility.

Correspondence from Attucks RE: Capital Prospects Integration

Mr. Roth reported that Attucks' Chief Compliance Office, Kevin Wickliffe, is retiring and that Derek Talley COO will serve as his replacement. Attucks will also be looking to add a third-party compliance firm. Attucks does not actively trade so – in terms of compliance – the compliance doesn't have to be as robust. Dahab is comfortable with the move and the transition.

Oakbrook Replacements

Mr. Roth reported that the allocation to Oakbrook (\$17,696,995) was split between two managers; \$11,002,939 to Decatur Capital and \$6,696,056 to Heard Capital. He stated they will make some adjustments to the manager review schedule so that these two managers are added to the third quarter. He noted that Dahab has reviewed the Northern Trust post-transition report and everything had gone smoothly. Dahab will provide a report at the next meeting.

Trustee Deirdre Waterman brought up the subject of the Phoenix Center property.

There was discussion.

REPORTS

Draft 2019 Valuation Report

Miss Munson reminded the Board that – due to a scheduling conflict – Louise Gates of Gabriel, Roeder, Smith & Co. was unable to attend today's meeting. She will be attending the May 27, 2020 meeting to present the 2019 Valuation Report. She noted that the Board will be asked to consider approving the report at the May meeting because the auditor will need the approved report in order to complete and file the System's audit report with the state by June 30, 2020. Miss Munson reported that both committees have reviewed the report. She suggested that the Board go through the report and asked that Trustees submit their questions, comments or changes to Ms. Gates no later than Monday, May 4, 2020.

Miss Munson reviewed the Valuation Report. The System's funding percentage on the actuarial value of assets as of December 31, 2019 was 190.8% and was 182.3% as of December 31, 2018. Miss Munson highlighted the note on page A-2 regarding Michigan PA 202 of 2017 and reviewed the City's 2018 Form 5572. The actuary has advised the Board that the mortality table used for 2019 valuation no longer complies with the Treasury's Uniform Actuarial Assumptions and that the City will be required to have an additional actuarial analysis performed prior to filing Form 5572 this year. The actuary has advised that the mortality table adopted for use for valuation purposes is still reasonable. She reported that this information has been conveyed to the City and she has offered to coordinate with the actuary, if needed. She also referenced the actuary's recommendation that an experience study be performed as required by the PA 202. She noted that the plan of action related to the IRS filing which was presented to the Council indicates that the City would have an experience study done once the filing had been made. She has reached out to the City to know whether there is an estimated timeframe for the City to have the study completed.

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Miss Munson continued the review of the report. The Computed Employer Contributions for the City's fiscal year which begins July 1, 2021 is \$0.00 as reported on page B-1. She reviewed the Determination of Unfunded Actuarial Accrued Liability; Development of Experience Gain/Loss; the Balance sheet as well as the Development of Valuation Assets and Actuarial Assumptions on pages B-2, B-3, C-3 and C-4, D-2 respectively. As of December 31, 2019, the Market Value of Assets were \$512,812,073; there were 1,105 Retirees (691 General and 414 Hospital), 113 Deferred Members and 27 Active Members. Finally, she reviewed the Schedule of Funding and Schedule of Employer Contributions.

Chairman

Chairman Albritton recommended that a video camera be purchased for the office to enhance the security of staff and directed that staff report back to the Board next month with information regarding the Ring door camera system

Chairman Albritton noted that the office lease expires in March 2021.

Trustee Deirdre Waterman volunteered to serve on a relocation committee. She indicated that the City has a Brokers' consortium that would be able to identify available spaces. She is happy to connect the Board with the consortium if the Board desires.

Finance Committee

Xponance Investment Management Agreement

Miss Munson reported that the committee reviewed the amended agreement with Xponance (formerly Piedmont). A copy of the restated agreement is in the agenda package as a New Business item.

2017 Draft Valuation

Miss Munson reported that both committees reviewed the draft report and requested that all questions be submitted to her no later Monday, May 4, 2020.

Executive Assistant Wage Continuation

Miss Munson reported that both committees are recommending approval of the New Business item to continue the Executive Assistant's regular wages for the duration of the governor's executive order.

2020 Advisor and Consultant Review Results

Miss Munson reported that both committees reviewed and are happy to recommend that the Board would approve to retain Asher Kelly.

Robbins Geller Portfolio Monitoring Engagement Agreement

Miss Munson reported that both committees reviewed and are recommending that the Board approves the Chairman's signature on the updated agreement.

Personnel & Administration Committee

Corresponding with Members Via Email

Miss Munson reported that the committee tabled this matter and requested additional information.

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Benefits Payment Audit

Miss Munson reported that the finance Committee discussed this in-depth but no determination was made. The matter will be revisited next month.

Disability Re-Examination Results: Not Disabled

Miss Munson reported that the member who was reexamined in February 2020 was determined by the Medical Director to be no longer totally and permanently disabled. Both committees are recommending that the Board would reclassify the member as non-disabled and to continue him on in the disability appeal process. She noted that this item is under New Business and that the reports should be treated as confidential.

Employee Leave Balances

Miss Munson reported that the committee reviewed the employee leave balances.

Executive Director Evaluation

Miss Munson reported that the committee reviewed the Executive Director's evaluation and that she would request a closed session.

2020 Election Procedure

Miss Munson reported that the committee reviewed the 2020 election procedure.

Performance Appraisals Policy Draft/Bylaws

Miss Munson reported that committee tabled this matter.

Trustees

None

EXECUTIVE DIRECTOR REPORT

Business Continuity: Minimum Basic Operations

This is for informational purposes only.

Work-from-Home Guidelines

This is for informational purposes only.

NCPERS Letter RE: Coronavirus and Public Pensions

This is for informational purposes only.

Correspondence from City RE: IRS Filing (Red-Line Draft Revised Ordinance from Committee)

Miss Munson reported that both committees are recommending that the Board would move forward with the draft of the Reestablished Ordinance. She noted that a special committee was formed which reviewed the proposed changes to which all the parties had agreed; the ones which were included in the CPREA settlement agreement; the ones which were recommended by the Board in the April 24, 2019 memo to the City as well as the changes which had originally been proposed by the Samantha Kopacz.

Trustee Swazer stated that if there are changes to the Ordinance which affect the employees or retirees, it is incumbent upon the GERS Board to review those to ensure members receive the same benefits.

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Trustee Deirdre Waterman said the ordinances regarding the GERS Board are a function of City government. If there is time expended by employees of the GERS Board on something that is not a GERS Board function, she would like to know the hours spent on that and the cost of pension fund money that was used for something that is not a function of the GERS Board. She said that she would put her request in writing.

Chairman Albritton asked that Trustee Deirdre Waterman submit her request in writing to the Executive Director and the rest of the Board.

Ms. Billings-Dunn responded to Trustee Moore that the Board was provided with proposed changes to the Ordinance and asked to review them and that is very appropriate.

Disability Annual Procedures Report

No Updates

Asset Transition Update

Miss Munson summarized the report by noting that \$12M had been rebalanced from fixed income to domestic equity. The Oakbrook transition went smoothly.

UNFINISHED BUSINESS

RE: Resolution to Certify Revised Retiree-Trustee Election Results

RESOLUTION 20-053, By Albritton, Supported by P. Waterman
Resolved, That the Board

WHEREAS, the retirees of the General Employees' Retirement System on March 23, 2020 did elect a Retiree-Trustee for a term beginning April 1, 2020 and ending March 31, 2024; and

WHEREAS, by its own adopted rules and regulations, the Board of Trustees is required to canvass and certify the results of all Trustee elections; and

WHEREAS, three candidates timely filed and were nominated for the Retiree-Trustee position for an election held on March 23, 2020; and

WHEREAS, Trustee Sheldon Albritton has furnished a statement canvassing the returns of March 23, 2020 and April 8, 2020 at which **BILLIE SWAZER** was elected to the position of Retiree-Trustee; now, therefore, be it

RESOLVED, That the Board of Trustees hereby certifies that the candidate listed below, having received the highest number of votes, was elected Retiree-Trustee for the term beginning April 1, 2020 and ending March 31, 2024.

Certified Elected Trustee

BILLIE SWAZER

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RESOLVED, That the election of March 23, 2020 to the General Employees' Retirement System Retiree-Trustee position was conducted in accordance with election rules and regulations adopted by the Board.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell – Yes	White - Yes

RE: Resolution to Approve the Annual the 2020 Advisor and Consultant Review

RESOLUTION 20–054 By P. Waterman, Supported by Moore

Resolved, That the Board - as a result of the 2020 Advisor and Consult Review – hereby approves the recommendation from the committees to retain Asher, Kelly as the System's Attorney.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Abs
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

NEW BUSINESS

RE: Resolution to Reclassify Disabled Retiree

RESOLUTION 20–055, By Albritton, Supported by Moore

Resolved, That the Board approves the committee's recommendation to terminate the member's disability classification and to reclassify the member as non-disabled, subject to the appeal process.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

RE: Resolution to Authorize Chairman's Signature on Xponance Investment Agreement

RESOLUTION 20–056 By White, Supported by Walker

Resolved, That the Board authorizes the Chair's signature on the Xponance, Inc. (formerly Piedmont Investment Advisors) restated investment management agreement

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ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

RE: Resolution to Authorize Chairman’s Signature on Robbins Geller Agreement

RESOLUTION 20–057 By Moore, Supported by Walker

Resolved, That the Board authorizes the Chair’s signature on the Robbins, Geller Portfolio Monitoring Engagement Agreement.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

RE: Resolution to Continue Executive Assistant Full-Time Salary

RESOLUTION 20–058 By P. Waterman, Supported by Moore

Resolved, That the Board approves to continue to pay the Executive Assistant 40 hours per week at the regular rate of pay for the duration of Executive Order #2020-21, including any extensions.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

**RE: Correspondence from City RE: IRS Filing (Red-Line Draft Revised Ordinance from Committee)
(cont.)**

Trustee Deirdre Waterman asked whether the proposed draft exists in final form. She asked why it is listed under the Executive Director report and not as a separate resolution. She said that this is the first that she is hearing that Ms. Kopacz had not provided the Board with the memo outlining her concerns. She asked Ms. Billings-Dunn to address why this is not on the agenda as a separate resolution.

Chairman Albritton confirmed that the System had received no correspondence regarding this matter from the City since the March 24, 2020 special meeting.

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Ms. Billings-Dunn said she disagreed with the Mayor and noted that this is a regular meeting and the Board does have the ability to make a resolution at a regular meeting.

There were questions about the motion, parliamentary rules and the length of time that this matter has been considered.

Ms. Billings-Dunn confirmed that it is the pleasure of the Board, it may approve a red-lined draft or the final version. There is no hard rule.

RESOLUTION 20-059 By P. Waterman, Supported by Moore

Resolved, That the Board approves to suspend the rules to act on the item presented by the personnel sub-committee.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

RESOLUTION 20-060 By Moore, Supported by Walker

Resolved, That the Board approves to add the item to the agenda for consideration by this Board.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - No
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

Trustee Moore moved to give the Board's approval of the proposed changes.

Trustee Patrice Waterman supported the motion.

There was additional discussion.

Trustee Patrice Waterman called for the vote.

Trustee Deirdre Waterman reiterated her understanding of the matter and her concerns.

Trustee Patrice Waterman called for the vote.

Trustee Deirdre Waterman continued her discussion.

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RESOLUTION 20-061 By P. Waterman, Supported by Moore
Resolved, That the Board approves to call the question.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman -
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

RESOLUTION 20-062 By Moore, Supported by P. Waterman
Resolved, That the Board approves the red-lined draft of the Reestablished GERS Ordinance to be submitted to the City Council regarding the IRS filing.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Abs
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

LEGAL REPORT

Piedmont/Xponance Investment Advisory Agreement

Ms. Billings-Dunn reported that it is her opinion, in light of the fact that they had formed a new corporate entity that the System should update the agreement accordingly.

Secure Act

Miss Billings-Dunn provided an update regarding new revisions to the Required Minimum Distribution age rules.

Heard Capital Sub-Advisory Agreement with Attucks

Miss Billings-Dunn reported that she confirmed that Heard Capital is a separately-managed account.

Ruth Adkins Conservatorship

This is for informational purposes

Hassler Durable Power of Attorney

This is for informational purposes

Executive Order 2020-38 – Temporary Extensions of Certain FOIA Deadlines

Miss Billings-Dunn reported updated guidelines and posting guidelines for FOIA Deadlines

Executive Order 2020-48 – Authorization of Remote Participation in Public Meetings Extended until May 12, 2020

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Miss Billings-Dunn reported updated guidelines and posting guidelines for remote meetings.

Robbins Geller Portfolio Monitoring Report for March 2020

This is for informational purposes

RE: Executive Director Evaluation

Chairman Albritton said that he would send the Executive Director evaluation package to the full Board and requested that Trustees submit their comments or concerns to him. He will then get with Vice-Chair Giddings and Trustee Swazer, Chair of the Personnel & Administration Committee and put it in a workable spreadsheet to present to the Executive Director. He believes that is difficult to deal with personnel issues in this electronic format.

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, May 27, 2020 9:00 a.m. – Retirement Office

RESOLUTION 20-063 By Moore, Supported by P. Waterman

Resolved, That the meeting of the Board of the Trustees of the Pontiac General Employees' Retirement System be adjourned 12:36 PM.

ROLL CALL:

Albritton – Yes	Swazer - Yes
Giddings – Yes	Walker - Yes
Mirani – Yes	D. Waterman - Yes
Moore – Yes	P. Waterman - Yes
Powell –	White - Yes

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on **April 29, 2020**.

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