

**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, June 28, 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 9:00 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chairman
Robert Giddings, Vice-Chair
Tim Greimel, Mayor – *arr. at 9:47 a.m.*
James Miriani
Lisa King
Billie Swazer
Patrice Waterman
James Walker
John White

TRUSTEES ABSENCE

William Parker Jr., City Council – *excused*
Timothy Sadowski – *excused*

OTHERS

Linda Watson, Retiree
Charlie Harrison, Visitor
Les Bond, Attucks
Cynthia Billings-Dunn, AsherKelly
David Lee, Dahab Associates – *via Zoom*
Tina Turner, Executive Director
Edith Meyers, Finance Officer
Xiaotian Xue, Executive Assistant

AGENDA CHANGES

RE: Add 2023 KORIED Global Summit

RESOLUTION 23-050 By Waterman, Supported by Swazer
Resolved, That the Board approves the agenda changes.

Yeas: 8 – Nays: 0

CONSENT AGENDA

A. Approval of the Minutes of the Special Board Meeting held on May 31, 2023.

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B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date June 28, 2023 N/A
Staff Pay Dates June 1st, 15, & 29, 2023 \$ 48,129.40

C. Communications

- MAPERS Fall Conference – September 9-12, 2023

D. Financial Reports

- Accounts Payable: June 2023 \$ 62,231.02
- Accounts Receivable: June 2023 \$ 117.95
- Attucks Manager-of-Managers Summary: May 31, 2023

E. Private Equity Capital Calls & Distributions:

- Wellington – June 14, 2023 \$ 24,447.61
- Sawgrass – Rebalancing June 14, 2023 \$ 3,000,000
- Xponance - Rebalancing June 14, 2023 \$ 3,000,000

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date
2940	Renee Greer-Alvarez	08/01/2023
2941	Rhonda Tunison	06/01/2023
2942	Carmen Ratliff	07/01/2023

Bold type entry indicates Reciprocal service credit.

2. Terminated Retirements

RETNO	NAME	Date of Death
2387	Larie Miracle	5/24/2023

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Date of Death
702387	Larie Miracle	Jodi Harper	5/24/2023

4. Re-calculated Retirements

RETNO	Member's Name	Reason for Change	Effective Date
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Pop-Up Benefit: When beneficiary dies before retirant, monthly benefit "pops-up" to what would

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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
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RESOLUTION 23-051 By Swazer, Supported by Miriani

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for June 28, 2023.

Yeas: 8 – Nays: 0

CONSULTANTS

A. Preliminary Performance and Monthly Asset Level: May 31, 2023

Mr. Lee reviewed the May 2023 Preliminary Performance Report. He reported that the portfolio was valued at \$433M as of May 31, 2023.

B. Attucks - Attucks Impact Real Estate ("AIRE")

Mr. Bond briefed the Board on the background of the AIRE investment. In 2020, Attucks discussed with the Board investment opportunities that could impact the Pontiac community. Attucks researched and identified investment strategies for the Board to consider, however, after consulting with Dahab, it became apparent that the strategy would be more of a State of Michigan focus due to the complexities of a closed end fund investment.

Mr. Bond presented the Attucks Impact Real Estate (AIRE) as a possible investment opportunity. AIRE is an affordable workforce housing investment strategy with a Michigan-based focus. The demand for Affordable Housing is very high, and is a national issue that impacts millions of Americans. In Michigan, there are 28% of households that have Extremely Low Income, and 71% of which are severely cost burdened. There is a perception that allocations to affordable housing requires investors to dilute returns. In addition, low-income housing is perceived to be a risky investment. In fact, however, Affordable Housing return expectations are on-par with many real estate categories, providing competitive risk-adjusted returns, stable cash flows, higher occupancy rates, growing demand, and resilience during recessions.

Mr. Bond reported that institutional investors can meet their fiduciary obligations without sacrificing returns while making a positive social impact to much needed communities. Affordable workforce housing is an underrepresented and misunderstood asset class within Real Estate. This would be Attucks' first private market portfolio. Attucks is working with newer and smaller managers to help them become quality institutional managers to ensure the skillsets brought to AIRE are consistent with Attucks' 23 years' experience.

Mr. Bond stated the AIRE approach is to have a high on demand investment asset type, with a blended

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investment profile through diversification of property type, asset class and geographies, flexible capital structures with downside protection; To impact economic stability for households, community development, job creation & opportunities, address racial wealth gap, less healthcare cost burden, and to increase the capacity of diverse real estate fund managers and developers.

Mr. Bond stated that the investment strategy will be value-added and opportunistic because the strategies' turnaround will be somewhere between 5-10 years. There are many ways to achieve the strategies, senior debt, mezzanine / preferred equity and common equity. Mr. Bond reported the portfolio will have 4-5 sub-fund managers and Attucks has been doing due diligence for 2 years and identified 4-5 Michigan focused fund managers.

Trustee White asked if there are any other areas in Michigan that we might be in, other than Pontiac?

Mr. Bond responded that the governor announced to allocate \$16 million toward housing funds to assist Affordable Housing, and the City of Pontiac has a fund as well.

Trustee Waterman asked if Attucks has contacted the Executive Office of the City of Pontiac. Some of the institutions in the City are trying to provide Affordable Housing, because this is what we need.

Mr. Bond responded that Attucks will reach out to the Executive Office as it's a component of the AIRE strategy, which will allow fund managers to enhance returns with some of the funds available.

Trustee Albritton asked how much funding is needed to kick-off the project.

Mr. Bond responded that it will be between \$22-25 million, and there will be a separately managed pool solely for Pontiac. Attucks is asking for \$5 million from REGERS as anchor investor. This is a multi-investment-managers fund that Attucks will oversee on behalf of investors, including REGERS. Considering REGERS would be the first investor, Attucks will not charge fees or carried interest on this investment and will also negotiate with sub-fund managers for discounted manager fees for REGERS.

Trustee King asked if AIRE would receive capital from private investors or a balance between government infused funds and private investments?

Mr. Bond responded that Attucks would encourage sub-fund managers to get every public dollar that is available.

Trustee Greimel arrived at 9:47 a.m.

Legal Counsel Billings-Dunn asked for a copy of the governing legal documents to review to ensure PA314 compliance.

Mr. Lee stated that the System does have room under both the real estate and the basket clause limitations under PA 314 to accommodate this investment.

Trustee White asked where the \$5 million will be moved from, and what kind of return could the Board

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expect to obtain in the first 3-5 years?

Mr. Lee responded that the \$5 million will be carved out from the current Attucks Long-Only Equity portfolio to allocate to AIRE. The expected return for real estate will be a little bit softer than that of the current equity investment.

Vice-Chair Giddings asked how cash flow would be affected?

Mr. Lee responded that this portion will be locked up for the duration of the fund's life because it is a closed-end fund. Should underlining managers have a liquidity event to sell it in the market, then we will get liquidity from that, otherwise once the money is called, we move the money and won't be able to get the money in the near term.

Trustee Albritton expressed his support for the Affordable Housing investment because it could improve the quality of life of existing residents and attract new residents working in the City back to our community, and in the end, it would improve the City tax revenue.

Mr. Lee stated that so far this is the only Affordable Housing investment vehicle that has proposed interest in investing in Pontiac.

Trustee Waterman stated that Pontiac needs Affordable Housing and asked if Trustee Greimel and Executive Office of the City could talk with Attucks to work on it?

Trustee Greimel responded that he would do so. He stated that it's not a presumption to approve the investment but rather to take a step of developing related documents.

Mr. Bond reiterated that the fund will be Michigan focused, and Attucks will do its best to identify sub-fund managers willing to invest in Pontiac.

Trustee White expressed appreciation to Attucks for the efforts to do things for the Pontiac community.

Chairman Albritton suggested to leave time for the communication and documents among the Mayor, REGERS Legal Counsel and Attucks, then bring the topic back to the Board in August.

REPORTS

Trustees Report

Trustee Waterman asked Trustee Greimel for an update of the City's settlement agreement with CPREA.

Trustee Greimel stated that CPREA wants the REGERS to fund the stipend, and they also want to transfer all of old GERS' money to VEBA. CPREA is trying to justify their position by their actuary report, which claims that there is enough money to fund the \$400 stipend from REGERS, and to transfer all the old GERS money to VEBA. Trustee Greimel emphasized that currently VEBA is more overfunded than REGERS, CPREA's

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request appears illogical. The City's position is to transfer the old GERS money to REGERS to fund the stipend, because they don't want to jeopardize retirees' future pensions and tie the Board's hands to the type of investment that they can make. There will be a hearing in July 2023.

Trustee Walker stated that the Retirement System actuary said we cannot fund the stipend without transferring old GERS money to REGERS, because it will jeopardize GERS solvency. Which actuary study matters?

Trustee Greimel stated that it is clear that GERS Actuary matters in terms of GERS decision, due to the State Law. Legal Counsel Billings-Dunn confirmed that.

Trustee Greimel stated that the CPREA members voted to transfer all old GERS funds to the new GERS and the CPREA Chairperson has ultimately admitted that. Apparently the CPREA attorneys are against what the CPREA members voted for and violating the wishes of their clients.

Trustee Walker asked how could the attorneys override the memberships' vote?

Legal Counsel Billings-Dunn responded that CPREA's Bylaws provide that the membership's vote is controlling.

Chairman Albritton stated that the System cannot afford to pay members' pension and fund the extra stipend without the funding from old GERS. Healthcare only comes into play when sick, but the pension maintains the members' livelihood month after month.

Trustee Swazer stated that the VEBA Board said they want better benefits, but the current retiree healthcare is already excellent.

Trustee Greimel stated that the current healthcare benefit may not be perfect, but by the standard of a retiree health insurance, it is platinum coverage.

Committee Report

Ms. Turner reported that both Committees reviewed the Disability Annual Procedures Report; MAPERS Fall Conference; MissionSquare to add the Executive Director as a Plan Administration Contact, and the 2022 Audit Update. In addition, the Personnel Committee reviewed the Deceased Members Report, the Employee Leave Balances Report, and the Finance Committee reviewed Preliminary Performance; the monthly Asset Level as of May 31, 2023, the Attucks AIRE investment, the June 2023 Accounts Payable, and the Accounts Receivable and distributions report.

Chairman Report: NONE

EXECUTIVE DIRECTOR REPORT

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A. MAPERS Fall Conference – September 9-12, 2023

This is for Trustees' information.

B. 2022 Audit Update

This is for Trustees' information.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

A. Resolution to Add Executive Director as a Plan Administration Contact at MissionSquare

RESOLUTION 23-052 By Waterman, Supported by King

Resolved, That the Board approves to add Executive Director as a Plan Administration Contact at MissionSquare.

Yeas: 9 – Nays: 0

B. Resolution to Approve the 2023 KORIED Global Summit

RESOLUTION 23-053 By Swazer, Supported by Waterman

Resolved, That the Board approves Trustees to attend the 2023 KORIED Global Summit from July 19-21, 2023.

Yeas: 8 – Nays: 1 (Greimel)

Trustee Walker left at 10:42 a.m.

C. Legal Report

1. Resolution to Approve Closed Session Minutes: May 31, 2023

RESOLUTION 23-054 By Waterman, Supported by Swazer

Resolved, That the Board approves to ratify the May 31, 2023, Closed Session Minutes.

Yeas: 8 – Nays: 0

2. Report from Legal Counsel – General Matters

eVestment FOIA

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This is for the Trustees' information.

Robert Jamieson – Letter of Guardianship

This is for the Trustees' information.

Hospital Deferred Members Eligibility Confirmation

This is for the Trustees' information.

Kristy Neumann Unemployment Insurance Benefit

Attorney Billings-Dunn reported that she spoke with ALJ office and is working on the update.

Robbins Geller May 2023 Portfolio Monitoring Report

This is for the Trustees' information.

PUBLIC COMMENT

Retiree Linda Watson made a public comment.

RE: Resolution to Go into Closed Session

RESOLUTION 23-055 By Waterman, Supported by White

Resolved, That the Board approves to go into the Closed Session to discuss Wells Fargo and Grubhub litigation matters.

Yeas: 8 – Nays: 0

ROLL CALL:

Albritton – Yes	King – Yes
Giddings – Yes	Swazer – Yes
Greimel – Yes	Waterman – Yes
Miriani – Yes	White – Yes

The Board went into closed session at 10:44 A.M.

The Board returned from closed session at 10:56 A.M.

RESOLUTION 23-056 By Greimel, Supported by Waterman

Resolved, That the Board ratifies the Chairman's signature on the retainer letter for the Wells Fargo litigation matter.

Yeas: 8 – Nays: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, July 19, 2023, 9:00 a.m.

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A. ADJOURNMENT

RESOLUTION 23-057 By Waterman, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned at 10:57 A.M.

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 June 28, 2023.

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