

## **CITY OF PONTIAC VEBA TRUST**

### **VEBA TRUST BOARD MEETING**

October 22, 2020

Meeting Minutes

On October 22, 2020 a meeting of the Board of Trustees for the City of Pontiac VEBA Trust was called to order at 3:25 pm via Zoom.

#### Trustees Present:

Claudia Filler, Chairperson, General Employees Retirement System  
Deidre Waterman, Vice Chairman, Mayor  
Linda D. Watson, City Council Appointee  
Walter L. Moore, Whole Plan Trustee  
Lon G. Britton, Secretary, Police & Fire Trustee  
NZ Bryant, Board Appointed Trustee

#### Others Present:

Samantha Kopacz, Attorney, Miller, Canfield  
Anthony Chubb, City Attorney, Giarmarco, Mullins & Horton  
Matthew Henzi, Attorney, Asher, Kelly  
Others not identified on Zoom

Meeting opened with discussion regarding Zoom meeting notices and agendas. The Secretary will send these notices to the City Clerk's Office to be posted in accordance with the Open Meetings Act. The Secretary was asked to keep track of his costs incurred for the Zoom license.

### **AGENDA APPROVAL**

Discussion was held regarding Public Comments and a uniform agenda. For purposes of this meeting the public can use the chat function until policies and procedures are established.

Motion: To place Public Comment at the end of the agenda. By Moore, seconded by Waterman.

Motion passed unanimously.

### **APPROVAL OF BOARD MEETING MINUTES OF SEPTEMBER 17, 2020**

Trustee Watson stated there was a typo on last page. Correct spelling of eligibility.

Motion: To approve the Board meeting minutes of September 17, 2020 as corrected. By Moore, seconded by Bryant. Motion passed unanimously.

From: Claudia Filler claudiafiller@comcast.net  
Subject: Re: October 22 VEBA Board Meeting [MCPS-Active.FID1442164]  
Date: Oct 13, 2020 at 5:11:21 PM  
To: Anthony Chubb achubb@gmhlaw.com, Samantha Kopacz kopacz@millercafield.com  
Cc: Deidre Waterman DWaterman@pontiac.mi.us, Lon Britton ppdlonb@gmail.com, N. Z. Bryant nz@pattersonbryant.com, Walter Moore wltrmoor@aol.com, Linda Watson ldw3dove@yahoo.com

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I will be out of town from Oct. 15 through Oct. 29. I cannot be physically present on Oct. 22 and have expected to handle the meeting electronically. I know you are waiting for the legislative fix to the problem. Please let me know if we can move forward without an in-person quorum. FYI—Lon is setting up the Zoom meeting for the 22nd.

Claudia

On Oct 13, 2020, at 4:20 PM, Kopacz, Samantha A. <Kopacz@millercafield.com> wrote:

Tony,

Can you please post notice of the VEBA Board's upcoming regular meeting scheduled for October 22, 2020 at 3pm. That is 10 days from today. Please have the notice posted ASAP.

The plan is to discuss the agenda items that had been docketed for last week's special meeting in addition to regular business.

Agenda Items include:

- ✓ *Approval of agenda*
  - Approval of minutes from prior meeting
  - Attorney Samantha Kopacz's request for a waiver of conflict
- Retention of legal counsel
  - Appointment of trustee by Mayor Waterman
  - City contribution to the VEBA Trust fund
  - Police and Fire VEBA merger
  - Preparation for provision of retiree health benefits
  - Other business

→ HB 211 @ PA 228 of 2020

Claudia and Mayor Waterman, please let us know if there are other agenda items that should be added.

**CITY OF PONTIAC VEBA TRUST  
BOARD OF TRUSTEES MEETING**

**OCTOBER 22, 2020, 9:00 A.M.**

**AGENDA**

**1. ROLL CALL**

Trustees:

Claudia Filler, Chairperson  
Mayor Deirdre Waterman, Vice Chairperson  
Lon Britton, Secretary  
Walter Moore  
Linda D. Watson  
N.Z. Bryant  
Darin Carrington

Others Present:

**2. AGENDA CHANGES**

**3. PUBLIC COMMENT**

**4. CONSENT AGENDA**

Minutes of Regular Meeting – October 8, 2020

**5. ADMINISTRATOR'S REPORT**

**6. INVESTMENT CONSULTANT'S REPORT**

**7. REPORTS**

- A. Chairperson
- B. Secretary
- C. Trustee Committees
- D. Legal Report
- E. Actuary's Report
- F. Auditor Report
- G. Members/Retirees

**8. UNFINISHED BUSINESS**

**9. NEW BUSINESS**

**10. CORRESPONDENCE**

**11. NEW MEETING DATE**

**12. ADJOURNMENT**

2451807

by Sidney Davy Miller

# MILLER CANFIELD

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October 27, 2020

Via email to [claudiafiller@comcast.net](mailto:claudiafiller@comcast.net)

City of Pontiac VEBA Trust  
Attn: Claudia Filler, Chairperson  
47450 Woodward Avenue  
Pontiac, MI 48342

Re: Conflict Waiver

Dear Ms. Filler:

As you are aware, Miller Canfield is engaged by the City of Pontiac (the "City") on numerous legal matters, including the effectuation of the terms of the settlement agreement entered into between the City and CPREA related to City funding of retiree health benefits in the United States District Court for the Eastern District of Michigan Case No. 2:12-cv-12830 (the "Settlement Agreement"). The terms of the Settlement Agreement generally dictate that, subject to approval by the Internal Revenue Service (the "IRS"), the City will terminate the General Employees' Retirement System, establish a new defined benefit plan under Internal Revenue Code §401(a), and establish a voluntary employees' beneficiary association under Code §501(c)(9) (the "VEBA"). Thereafter, the Settlement Agreement dictates that the City of Pontiac Police and Fire Prefunded Group Health and Insurance Plan ("PF VEBA") will be merged into the newly created VEBA. Miller Canfield represented the City in conjunction with the creation and establishment of the new VEBA.

The new VEBA was officially established on March 23, 2020 and at that time became its own legal entity, the "City of Pontiac VEBA Trust," under the authority of the VEBA Board of Trustees ("VEBA Board"). However, the City of Pontiac VEBA Trust has minimum assets (\$100) and has yet to commence operations related to the provision of retiree health benefits. It is still in the establishment stage. Accordingly, the VEBA Board and the City collectively asked me to serve as interim counsel for the City of Pontiac VEBA Trust to facilitate approval from the IRS for tax-exempt status. As you know, the IRS approved the City of Pontiac VEBA Trust's submitted application on August 10, 2020. As you are also aware, it is currently anticipated that the City of Pontiac VEBA Trust will be able to begin providing retiree health benefits in 2021. The VEBA Board must make preparations in this regard and needs legal counsel in conjunction therewith.

This letter confirms that you have asked us to represent the City of Pontiac VEBA Trust with respect to (1) dealings with the IRS associated with effectuation of the Settlement Agreement;

October 27, 2020

and (2) effectuation of the merger of the PF VEBA into the City of Pontiac VEBA Trust. As you know, our firm represents the City of Pontiac in matters unrelated to the matter on which you wish to engage us. Nevertheless, the fact that we represent the City of Pontiac on other matters creates a conflict of interest.

Under the ethics rules that bind us, including Michigan Rule of Professional Conduct 1.7-Conflicts of Interest ("Rule"), we must normally decline a representation that is directly adverse to another client or where our representation of a client is materially limited by responsibilities we owe to others or by our own interests. However, if we believe that the common representation will not adversely affect our relationship with either client, conflicts of these types can be waived by the clients involved after consultation. In the present matter, I believe that our representation of the City of Pontiac VEBA Trust in the above referenced capacity will not be adversely affected by, nor adversely affect, our representation of the City of Pontiac in unrelated matters.

The purpose of this letter is to request your waiver of any conflict raised by the matters described above. The waiver does not attempt to waive conflicts that the Rule deems non-waivable.

We have had an opportunity to discuss this matter, and I hope you have raised any questions you may have concerning this matter and our representation of the City of Pontiac in unrelated matters. If not, I encourage you to contact me and raise any further questions or comments you may have. Also, you should feel free to consult separate counsel on the issue of whether you should waive conflicts that may be created by the matters set forth above.

If you wish to waive the conflict identified above, please acknowledge receipt of this letter, the adequacy of the disclosures I have made, and your waiver of the conflict created by the matters described above by signing and returning a copy of this letter. As always, if you have any questions about any aspect of this matter, I encourage you to call me.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.L.C.



By: \_\_\_\_\_  
Samantha A. Kopacz

ACCEPTED AND AGREED:

 10/29/20

SAK/reu  
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