

CITY OF PONTIAC VEBA TRUST

BOARD OF TRUSTEES MEETING

August 12, 2021

A meeting of the Board of Trustees was held on Thursday, August 12, 2021 via Conference Call and in person.

Trustees Present

Claudia Filler, Chairperson – In Person
Linda D. Watson – In Person
Darin Carrington – Pontiac, MI
Lon Britton – Dubois, WY
NZ Bryant, - Bingham Farms, MI
Deirdre Waterman, Mayor - Pontiac, MI

Others Present

Matt Henzi, AsherKelly
Jennifer Crosby, BeneSys Inc.
Steven Roth, Dahab

Absent Trustee

Walter Moore

Chairman Filler declared that a quorum was present and called the meeting to order at 9:04 a.m.

AGENDA CHANGES – None

PUBLIC COMMENT – None

CONSENT AGENDA

- A. Minutes of Special Meeting – May 7, 2021
- B. Minutes of Regular Meeting – May 13, 2021
- C. Minutes of Special Meeting – July 22, 2021
- D. Minutes of Special Meeting – July 23, 2021
- E. Invoices for Payment
 - a. AsherKelly Invoice – April 2021 - \$2,960.00
 - b. AsherKelly Invoice – May 2021 - \$3,848.00
 - c. AsherKelly Invoice – June 2021 - \$610.50
 - d. BeneSys Invoice – April 2021 - \$29,572.00
 - e. BeneSys Invoice – May 2021 - \$13,442.00
 - f. BeneSys Invoice – June 2021 - \$13,442.00
 - g. BeneSys Invoice – July 2021 - \$13,448.32
 - h. American Graphics – August 9, 2021 - \$32.58

RESOLUTION by Ms. Filler; seconded by Mr. Carrington

Further Resolved, to accept the Consent Agenda as presented. Motion failed due to lack of votes.

Roll Call Vote:	Claudia Filler	Yea
	Darin Carrington	Yea
	Linda Watson	Abstain
	NZ Bryant	Yea

RESOLUTION by Ms. Filler; seconded by Mr. Britton

Further Resolved, to accept the Meeting Minutes presented for May 13, 2021 and to pay all invoices presented. Meeting Minutes for May 7, 2021, July 22, 2021 and July 23, 2021 moved to Regular Agenda.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	NZ Bryant	Yea
	Mayor Waterman	Yea
	Lon Britton	Yea

TRUSTEE COMMITTEES

It was noted that the Insurance Committee has not met.

FINANCIAL CONSULTANT

Mr. Roth reviewed with the Board that they are in a holding pattern until the Actuarial Valuation is presented at the GERS meeting later this month. The intent is to transfer assets in-kind when approved to do so. For P&F assets it will be an easy transition once IRS determination is made. Dahab will complete an Asset Allocation Study once all funds received.

Mayor Waterman informed the Board that City Council has given an ordinance amendment to allow the formation of special fund to pay the Opt-Out. The GERS Board will act of that in their next meeting. Once transferred the Opt-Out funds can be paid by the Finance Director.

ATTORNEY REPORT

Eligible Member Data Status

Attorney Henzi addressed this matter for the Board in the Attorney Report. He updated the Board that BeneSys provided a list with PFRS data. The City provided a list of persons who elected to opt-out from the VEBA Trust. BeneSys cross referenced this list to delete PFRS individuals who elected to opt-out. He informed the Board that GERS will have their completed Census Data by August 26, 2021. GERS has informed that this project will take up to 60 hours at a cost of \$3,393.50 and would like the VEBA to reimburse this cost. Once this information is completed for general retirees, it will be forwarded to the insurance agents.

Proposed Vital Information Form Requests

Attorney Henzi addressed this matter for the Board in Attorney Report. As a means to initiate open enrollment and accumulate accurate retiree census data, we propose to send a letter and vital information form to general retirees and surviving spouses. To avoid any potential FOIA violation, we can place postage on the mailing and request that the GERS office address them. The mailing would include a self-addressed stamped envelope to return vital forms to BeneSys.

RESOLUTION by Mayor Waterman; seconded by Mr. Bryant

Further Resolved, to approve payment to GERS for Member Census Data to be provided by August 26, 2021 and approve issuance of Vital Information Form Mailer to GERS members.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	NZ Bryant	Yea
	Mayor Waterman	Yea
	Lon Britton	Yea
	Darin Carrington	Yea

Insurance Agent Procurement of Benefits

Attorney Henzi addressed this matter for the Board in the Attorney Report. He updated the Board that he notified the two insurance agent finalists, AmWins and Manquen Vance, of their selection. He forwarded them the Police & Fire census data with date of births, zip code and spousal information. Upon receipt of the GERS census data the Insurance Agents will shop the insurance marketplace for proposals and return their proposals to the Board within 30 days

Fiduciary Liability Insurance Quotes – Huttonlocher

Attorney Henzi addressed this matter for the Board in the Attorney Report. He stated that as previously authorized, requests for fiduciary liability insurance for the VEBA Trust were obtained. Information was provided to various carriers so that quotes could be provided. The obtained quotes were provided to the Board with coverage effective September 1, 2021

RESOLUTION by Mayor Waterman; seconded by Mr. Britton

Further Resolved, to select the Cincinnati Insurance Company fiduciary liability policy as presented and instruct Mr. Henzi to request that the agent/carrier bind coverage. Future coverage with increased policy limits will be revisited once the funds have been transferred.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	NZ Bryant	Yea
	Mayor Waterman	Yea
	Lon Britton	Yea
	Darin Carrington	Yea

Proposed Timeline for PF VEBA/VEBA Merger and Transition Issues

Attorney Henzi addressed this matter for the Board in the Attorney Report. He presented an updated timeline with input from Plan Professionals. This updated timeline has a benefit start date of November 1, 2021 changing the original start date of September 1, 2021. The reasoning behind the delay being the challenges discovered trying to obtain accurate census data and Medicare’s rule of requiring 90-120 days to begin coverage. In additional, he informed the Board that the Police and Fire Board is providing stop gap coverage for its members so they may maintain coverage until this Trust is able to begin providing coverage.

TRUSTEE COMMENTS

Mayor Waterman informed the Board that a letter will be going out to persons who elected to opt-out of the VEBA informing them when the funds will be mailed out. A letter will also go out to those determined not to be eligible.

UNFINISHED BUSINESS

A. Selection of Insurance Agent Finalists

At the last meeting two insurance agents' finalists were chosen by the Board. Mr. Henzi informed the Board that he is doing references on the two Insurance Consultant finalists, AmWin and Manquen Vance per Mr. Bryant's recommendation.

B. Production of Census Data

This item was discussed under Legal Reports. Chairperson Filler thanked Trustee Watson and member Billie Swazer for their work on the Census Data for general retirees.

C. Letter to IRS Dated May 24, 2021

Samantha Kopacz wrote a letter to the IRS on May 24, 2021. This was a third written request related to original correspondence submitted on September 17, 2020. The request being that the IRS issue a corrective letter to the City of Pontiac VEBA Trust indicating that it is exempt from the Form 990 Requirement. The Mayor stated that the IRS is not obligated to respond to this and it doesn't prohibit the Trust from moving forward.

D. VEBA Member Opt-Out List

Chairperson Filler stated that the opt-out list needs to be confirmed, they are several members listed as unconfirmed. Trustee Carrington stated he has been working on this and will do an additional review. The Mayor stated that she wanted to see this completed as a priority.

NEW BUSINESS

A. Fiduciary Liability Insurance Quotes

This was discussed during the Legal Report.

B. VEBA Plan Amendment No. 1 Health Plan

Mr. Henzi presented the VEBA Amendment No. 1 Health Plan to the Board for review and approval.

C. VEBA Trust Amendment No. 1

Mr. Henzi present the VEBA Trust Amendment No. 1 to the Board for review and approval.

RESOLUTION by Mayor Waterman; seconded by Mr. Britton

Further Resolved, to approve the Plan and Trust Amendments and authorize Chairman Filler to sign the documents.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	NZ Bryant	Yea
	Mayor Waterman	Yea
	Lon Britton	Yea
	Darin Carrington	Yea

D. VEBA Letterhead & Envelope Drafts

Ms. Crosby presented draft letterhead and envelopes for use by the Trust to the Board for approval. The Board stated they approved these for use.

E. Trustee Roster Draft

Ms. Crosby presented a draft of the trustee and plan professional roster to the Board for approval. The Board stated they approved.

F. Comerica Banking Documents for Chairperson Signature

Ms. Crosby presented banking documents from Comerica that require Chairperson Filler’s signature. Mr. Henzi has reviewed the documents and approved for them to be signed.

G. W-9 Document

Mr. Henzi will provide this to Ms. Crosby to submit to Comerica.

H. Meeting Minutes for May 7, 2021, July 22, 2021, and July 23, 2021.

Meeting minutes were presented under the Consent Agenda. The Board wanted an opportunity to discuss them in more detail, so they asked for them to be moved to New Business.

RESOLUTION by Ms. Watson; seconded by Mayor Waterman

Further Resolved, to table the meeting minutes for May 7, 2021, July 22, 2021 and July 23, 2021 to the next meeting.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	Mayor Waterman	Yea
	Lon Britton	Yea
	Darin Carrington	Yea

CORRESPONDENCE

- A. Letter from Member**
- B. BeneSys Acquires Beacon Technologies Group**
- C. BeneSys Data Security Summary – June 2021**
- D. BeneSys Network Penetration Testing – June 2021**
- E. BeneSys Response to DOL Cybersecurity Guidance – July 2021**
- F. Comerica Domestic and International Wire Terms**

NEXT MEETING DATE: September 27, 2021 at 3:00 p.m. – Special Meeting

ADJOURNMENT

RESOLUTION by Ms. Watson; seconded Mayor Waterman

Further Resolved, that the meeting be adjourned at 10:42 a.m.

Roll Call Vote:	Claudia Filler	Yea
	Linda Watson	Yea
	Lon Britton	Yea
	Darin Carrington	Yea
	Mayor Waterman	Yea
	NZ Bryant	Yea

I certify that the foregoing are the true minutes of the City of Pontiac VEBA Trust on August 12, 2021.

As recorded by BeneSys