

**CITY OF PONTIAC VEBA TRUST
BOARD OF TRUSTEES MEETING
February 12, 2026**

A meeting of the Board of Trustees was held on Thursday, February 12, 2026

Trustees Present

Claudia Filler, Chairperson
Khalfani Stephens, Vice Chair
Mayor Michael McGuinness
Lon Britton
Linda D. Watson
Matt Nye
Julie Moll

Others Present

Matt Henzi, AsherKelly
Steve Roth, Dahab
Violet Gjorgjevski, BeneSys
Jennifer Crosby, BeneSys

Chairperson Filler declared that a quorum was present and called the meeting to order at 1:02 p.m.

AGENDA CHANGES - None

CONSENT AGENDA

- A. Meeting Minutes – December 11, 2025
- B. Financial Statements October & November 2025
- D. Opt-Out Balance Remaining as of January 31, 2026 = \$3,780,000.00
- E. Bills for Ratification January 31, 2026
- F. Bills for Approval

<u>Date</u>	<u>Payee</u>	<u>Amount</u>
1/14/2026	American Graphics	\$95.40
1/8/2026	Asher Kelly	\$8,572.69
1/8/2026	Asher Kelly	\$2,425.00
2/4/2026	Miller Law Firm	\$2,185.50
1/6/2026	Miller Law Firm	\$9,672.00
		\$22,950.59

- G. Fifth Third Bank Balance as of January 31, 2026
- H. Total Benefit Enrollees as of December 31, 2025 = 970
- J. Added Enrollees November 1, 2025, to December 31, 2025 = 2
- K. Deceased Enrollees November 1, 2025 to December 31, 2025 = 4
- L. Appeals to Date = 41
 - a. New = 2

Mayor McGuinness joined the meeting at 1:04 p.m.

RESOLUTION by Mayor McGuinness; seconded by Ms. Watson

Further Resolved, to approve the Consent Agenda, as amended, with a correction to the Consent Agenda Section on Appeals, removing the designation of appeals “On Hold,” The approval was also conditioned on two changes to the December 11, 2025 meeting minutes – 1) At pg. 5 under Secretary’s report, reference to dismissal of the lawsuit changed from “with prejudice” to “without prejudice.” 2) At pg. 5 under Investment Committee report, to read as follows:

C. INVESTMENT COMMITTEE

Ms. Moll stated that, in anticipation of the increased insurance premium expenses due to enhanced benefits previously approved by the Trustees, the Investment Committee worked with DAHAB to perform an updated asset allocation study to make sure the current allocation is appropriate for the needs of the VEBA.

Roll Call Vote:

- Filler – Yea
- Mayor McGuinness - Yea
- Stephens – Yea
- Britton – Yea
- Watson - Yea
- Moll - Yea

Yea – 6 Nay – 0

Motion Carried

Matt Nye joined the meeting at 1:30 p.m.

CONSULTANT REPORTS

Dahab Associates – Steve Roth

A. Performance Review December 2025

Mr. Roth updated the Board regarding investment returns as of December 31, 2025. The City of Pontiac VEBA plan was valued at \$148,150,027, representing an increase of \$32,549,959 from the September quarter’s ending valued of \$115,600,068. Last quarter, the Fund posted net contributions equaling \$30,631,446 plus net investment gain equaling \$1,918,513. Total net investment return was the result of income receipts, which totaled \$933,780 and net realized and unrealized capital gains of \$984,733.

B. GERS to VEBA Transfer Reports

Per Trustee Britton’s request, materials were provided by GERS counsel pertaining to the recent distribution to VEBA. Mr. Roth reviewed these materials and informed the Board that the asset value for the total portfolio was accurate, and accrued expenses represent reasonable assumptions. He feels comfortable with the calculated split value.

C. Rebalance February 9, 2026

RESOLUTION by Mayor McGuinness; seconded by Ms. Watson

Further Resolved, approved the recommended rebalance by the Investment Consultant and approved by the Investment Committee. The rebalancing moves \$350,000 from the YCM Large Cap fund, \$950,000

from YCM Mid Cap fund, \$600,000 from the Fidelity Small Cap fund, \$550,000 from Vanguard International Markets and \$350,000 from the Wellington Emerging Markets fund to the cash reserve account to pay insurance premiums and administrative expenses for the next quarter.

Roll Call Vote:

Filler – Yea
Stephens – Yea
Mayor McGuinness - Yea
Britton – Yea
Watson – Yea
Nye - Yea
Moll - Yea

Yea – 7 Nay – 0

Motion Carried

REPORTS

A. CHAIRPERSON

Ms. Filler updated the Board that the court approved CPREA’s motion to have their attorney fees related to the proceedings for the Second Amendment to the Settlement Agreement paid by the City of Pontiac. She expressed thanks to all of the professionals involved in adding, determining eligibility and if appropriate enrolling new members.

B. SECRETARY

Mr. Britton updated the Board on the status of the VEBA’s lawsuit against the City and GERS, He anticipates that Miller Law will dismiss the suit without prejudice once the Old GERS transfers 50% of its assets, pursuant to the terms of the Second Amendment to the Settlement Agreement.

C. INVESTMENT COMMITTEE

Ms. Moll led discussion regarding the Investment Committee, vetting other asset classes prior to them being presented to the Board in the future.

D. LEGAL REPORT

Amendment No. 3 to Trust Agreement

Attorney Henzi addressed this matter for the Board in Attorney Report. This amendment was approved at the City Council meeting held on June 3, 2025. Legal counsel forwarded this request to the City of Pontiac’s Law Director, Tiffany Cartwright. We do not yet have a signed amendment from the City.

Amendment No. 4 to Trust Agreement

Attorney Henzi addressed this matter for the Board in Attorney Report. This amendment was approved at the City Council meeting held on June 3, 2025. Legal counsel forwarded this request to the City of Pontiac’s Law Director, Tiffany Cartwright. We do not yet have a signed amendment from the City.

Amendment No. 5 to Trust Agreement

Attorney Henzi addressed this matter for the Board in Attorney Report. Since the last meeting, counsel for the City proposed Amendment No. 5 to the VEBA Trust. The Amendment’s purpose is to incorporate changes adopted by the Second Amendment to the Settlement Agreement. We inserted revisions to the document and recommend that it be signed.

RESOLUTION by Mr. Britton; seconded by Mr. Stephens

Further Resolved, approved Amendment No. 5 to the Trust Agreement as revised per recommendation of legal counsel.

Roll Call Vote:

- Filler – Yea
- Stephens – Yea
- Mayor McGuinness - Yea
- Britton – Yea
- Watson – Yea
- Nye - Yea
- Moll - Yea

Yea – 7 Nay – 0

Motion Carried

PA 314 Disclosure

Attorney Henzi addressed this matter for the Board in Attorney Report.

Rose Wilson Appeal

Attorney Henzi addressed this matter for the Board in Attorney Report. Upon information and belief, Ms. Wilson is the only individual who would obtain VEBA eligibility as a result of this narrow change to the Settlement Agreement. At the December 11, 2025, meeting, the Trustees approved Ms. Wilson’s appeal. Since the last meeting, legal drafted correspondence to be sent to Ms. Wilson advising her that her appeal was reconsidered and granted.

Tabled Appeals

Attorney Henzi addressed this matter for the Board in Attorney Report. At the December 1, 2025, meeting, the Trustees approved the 13 tabled appeals. Since the last meeting, legal drafted correspondence to be sent to each of the retirees advising them that their appeal was reconsidered and granted.

Stephanie Sumner Appeal

Attorney Henzi addressed this matter for the Board in Attorney Report. Ms. Sumner is eligible for the VEBA at age 60. She appealed and requested immediate eligibility. An analysis was provided for the Board.

Vital Information Policy

Attorney Henzi addressed this matter for the Board in Attorney Report. At the last meeting, the Trustees directed legal to draft a vital information policy for the Board’s review. The Board provides that, annually each June, the administrator will send correspondence to each member requesting that the member return a vital information form. The form will be due by June 30. If no form is received, the administrator will send a second letter on or about July 15, which will require the vital information form to be returned by August 15. Both letters will state that failure to return a vital information form will result in the automatic suspension of health care coverage in September of that year. The purpose of the policy is to avoid paying the cost of health insurance premiums for individuals who are deceased or who are covered by other insurance.

Open Enrollment for Expanded Class

Attorney Henzi addressed this matter for the Board in Attorney Report. At the last meeting, the Board directed legal, BeneSys, and Manquen Vance to work together to implement open enrollment for the expanded class pursuant to the Federal Court’s December 9, 2025, entry of a Second Amendment to the CPREA v. Pontiac Settlement Agreement. The Second Amendment to the Settlement Agreement expanded eligibility to include as many as 125 persons.

First, legal counsel and BeneSys worked with the City to verify which persons listed on the exhibits to the Settlement Agreement are now eligible for the VEBA, i.e. are eligible class members and hit the required age milestone. The parties prepared an open enrollment packet, which stated that the open enrollment period would be from January 2-January 31, with enrollment by March 1. Enrollment packets were sent to approximately 35 individuals. Additionally, legal counsel revised the opt-out letter for retirees who have not yet enrolled in the VEBA.

BeneSys and legal worked with the City to review and evaluate opt-out requests and numerous eligibility requests. This has resulted in some appeals, which the Board will consider. This also resulted in the verification of eligibility for several individuals.

The Board moved to closed session at 2:19 p.m.

RESOLUTION By Mr. Stephens; seconded by Ms. Watson

Resolved, to go into closed session to discuss pending litigation in the following matters: Donnie Benion, Manquen Vance/BeneSys Audit of BCBSM Invoicing, and Warner Bros. Discovery, Inc.

Roll Call Vote: Filler – Yea
 Stephens – Yea
 Mayor McGuinness - Yea
 Britton – Yea
 Watson – Yea
 Nye - Yea
 Moll - Yea

Motion Carried

The Board returned from closed session at 2:40 p.m.

RESOLUTION by Ms. Watson; seconded by Mayor McGuinness

Further Resolved, to approve and execute the Tolling Agreement to toll (stop) the statute of limitations for a negligence or breach of contract action that the VEBA may have against BeneSys relating to duplicate BCBSM premium billing, pending ongoing audit.

Roll Call Vote:
 Filler – Yea
 Stephens – Yea
 Mayor McGuinness - Yea
 Britton – Yea
 Watson – Yea
 Nye - Yea
 Moll - Yea

Yea – 7 Nay – 0

Motion Carried

RESOLUTION by Ms. Watson; seconded by Mayor McGuinness

Further Resolved, to authorize the filing of a Section 220 Books and Records demand against Warner Bros. Discovery as recommended by legal counsel.

Roll Call Vote:

- Filler – Yea
- Stephens – Yea
- Mayor McGuinness - Yea
- Britton – Yea
- Watson – Yea
- Nye - Yea
- Moll - Yea

Yea – 7 Nay – 0

Motion Carried

E. TRUSTEE COMMENTS

Chairman Filler stated that she reached out to Ms. Crosby regarding updates that she made to the City of Pontiac website section dedicated to the VEBA. She still feels the websites available to members from the City of Pontiac and BeneSys are not user friendly and looks forward to updates being made.

F. PUBLIC COMMENTS - None

UNFINISHED BUSINESS

A. Questionable Opt-Out Retirees

Discussion took place regarding retirees who received the Opt Out and may not have been eligible. It was determined that these retirees are not listed in the exhibits of the Second Amendment to the Settlement agreement. The Board stated that further analysis needs to be conducted. Ms. Crosby will review the records that BeneSys has and communicate her results to Mr. Stephens. This matter will stay on the agenda for further review.

B. BeneSys Statement of Work BCBS Invoice Audit

Ms. Gjorgjevski presented a Statement of Work from BeneSys to convert the invoices from a PDF format to an Excel format in relation to the extensive audit of the BCBS invoices due to the double billing issue. Extensive discussion took place.

RESOLUTION by Mr. Britton; seconded by Ms. Watson

Further Resolved, to agree to pay half of the proposed cost when invoiced provided that, the Board may demand reimbursement in the event any amount is determined to be owed to the VEBA due to duplicate billing by BCBSM caused by Benesys' failure to disenroll individuals from any VEBA plan or any other eligibility error that caused duplicate billing.

Roll Call Vote:

Filler – Yea
Stephens – Yea
Mayor McGuinness - Yea
Britton – Yea
Watson – Yea
Nye - Yea
Moll - Yea

Yea – 7 Nay – 0

Motion Carried

C. BCBS Invoice Audit Update

Ms. Crosby informed the Board that she has worked to eliminate the BCBSM double billing of participants who aged into Medicare from January 2026 forward. In addition, she was able to get adjustments to billing made going back to November 1, 2025. As a result, the VEBA received a credit of \$75,656.51 on the February 2026 invoice and the monthly invoice amount for the Pre-65 participants reduced by \$26,921.41. She will also be conducting 100% audits of the invoices monthly until they are determined to be accurate and to monitor credits/adjustments. The eligibility department has taken over the remainder of the audit for the period of February 2022 to December 2025.

D. BeneSys Statement of Work for Member Website Upgrade

Ms. Gjorgjevski presented the BeneSys Statement of Work for Member Website Upgrade. Discussion took place and it was noticed that there wasn't an estimated time frame for project completion provided.

RESOLUTION by Mayor McGuinness; seconded by Mr. Nye

Further Resolved, to accept the statement of work pending an estimated time frame for project completion being provided. Benesys to present a draft iteration at the next meeting.

Roll Call Vote:

Filler – Yea
Stephens – Yea
Mayor McGuinness - Yea
Britton – Yea
Watson – Yea
Nye - Yea
Moll - Yea

Yea – 7 Nay – 0

Motion Carried

E. Vital Information Form Mailer

Ms. Kulas from Manquen Vance provided her analysis and feedback regarding the Board's interest in completing an Annual Vital Information Form submission being required to continue benefits through the VEBA. Extensive discussion took place regarding this matter.

RESOLUTION by Mayor McGuinness; seconded by Mr. Britton

Further Resolved, to table this item for further consideration and discussion.

Roll Call Vote:

- Filler – Yea
- Stephens – Yea
- Mayor McGuinness - Yea
- Britton – Yea
- Watson – Yea
- Nye - Yea
- Moll - Yea

Yea – 7 Nay – 0

Motion Carried

NEW BUSINESS

A. Appeal 2740114570

Ms. Gjorgjevski presented Appeal to the Board. After discussion it was determined that the retiree has not provided enough information for the Board to make a final determination regarding his eligibility for benefits through the VEBA. Legal counsel will draft a letter to the retiree explaining that more information is needed and once that is provided the Board can review further.

RESOLUTION by Mayor McGuinness; seconded by Mr. Stephens

Further Resolved, to table Appeal 2740114570 pending more information from the retiree.

Roll Call Vote:

- Filler – Yea
- Stephens – Yea
- Mayor McGuinness - Yea
- Britton – Yea
- Watson – Yea
- Nye - Yea
- Moll - Yea

Yea – 7 Nay – 0

Motion Carried

B. Appeal 2722642402

RESOLUTION by Mayor McGuinness; seconded by Mr. Stephens

Further Resolved, to deny Appeal 2722642402 for immediate eligibility per recommendation of legal counsel since the individual is eligible at age 60 according to the City’s applicable non-union benefits policy in effect during the appellant’s employment.

Roll Call Vote:

Filler – Yea
Stephens – Yea
Mayor McGuinness - Yea
Britton – Yea
Watson – Yea
Nye - Yea
Moll - Yea

Yea – 7 Nay – 0

Motion Carried

C. COP Request for Official Eligibility Response from BeneSys

Trustee Stephens has requested that BeneSys provide a list of members who are eligible for the Medical Opt-Out to be used by the City of Pontiac prior to issuing payment. The Board agreed that BeneSys can release this information to the City of Pontiac.

CORRESPONDENCE

A. BeneSys Response to DOL Cybersecurity Guidelines Response 4th Q 2025

B. Wellington Invoice 4th Q 2025 – Payment via Redemption of Units

NEXT REGULAR MEETING DATE – May 14, 2026, Annual Meeting, 1:00 p.m.

ADJOURNMENT

RESOLUTION by Mayor McGuinness; seconded Ms. Watson

Further Resolved, that the meeting be adjourned at 4:16 p.m.

I certify that the foregoing are the true minutes of the City of Pontiac VEBA Trust on February 12, 2026.

As recorded by BeneSys

4907-2770-7042, v. 1