

CITY OF PONTIAC VEBA TRUST

VEBA TRUST BOARD MEETING

September 17, 2020

Meeting Minutes

On September 17, 2020, a meeting of the Board of Trustees for the City of Pontiac VEBA Trust was called to order at 3:04pm, via Zoom.

Trustees Present:

Claudia Filler, Chairperson, General Employees Trustee
Deirdre Waterman, Vice Chair, Mayor
Linda D. Watson, City Council Appointee
Walter L. Moore, Whole Plan Trustee
Lon G. Britton, Police & Fire Trustee
NZ Bryant, Board Appointed Trustee (arrived at 3:22 pm)

Others Present:

Samantha Kopacz, Attorney, Miller, Canfield
Anthony Chubb, City Attorney, Giarmarco, Mullins & Horton
and others not identified on Zoom

The meeting opened with discussion on the departure of Jane Bais DiSessa, Deputy Mayor and former VEBA Board Secretary. After some discussion regarding the filling of the Board Secretary position, the Chair asked for a volunteer. Lon Britton volunteered to fill the position for the unexpired term ending January 2021.

Motion: To elect Lon Britton to fill the position of VEBA Board Secretary for the unexpired term ending January 2021. By Moore, Seconded by Watson.
Motion passed unanimously.

Agenda Approval

Motion: To approve the agenda. By Waterman, seconded by Moore.
Motion passed unanimously.

Approval of Board meeting minutes of June 11, 2020

Motion: To approve the Board meeting minutes of June 11, 2020. By Moore, seconded by Waterman.
Motion passed unanimously.

Public Comment

There was one public comment, by member Billie Swazer, read by the Chair, who questioned, and cautioned the Board, regarding the transparency of Atty. Kopacz's submissions to the Internal Revenue Service on behalf of the Board. The comment was taken under advisement and discussion followed regarding the need to develop a policy regarding response to public comments.

Discussion was held by Mayor Waterman regarding filling the vacated Mayoral Appointment Trustee position. She plans to make the appointment expeditiously.

Trustee NZ Bryant was able to join the meeting at 3:22pm

Status of IRS Submission

Atty. Kopacz reported that the VEBA Trust's application for tax-exempt status (Form 1024) was submitted to the IRS on May 22, 2020 and approved by the IRS on August 10, 2020. Atty. Kopacz also indicated that she, in consultation with Chairperson Filler, submitted a follow-up request to the IRS asking for a correction to the approval letter to exempt the VEBA Trust from the Form 990 annual filing requirement due to the VEBA Trust's affiliation with the City.

Atty. Kopacz indicated that the City submitted a proposed termination date for the current GERS of January 31, 2021 to the IRS. However, this proposed termination date is still subject to approval by the Pontiac City Council. The IRS will not make any determination with respect to the GERS termination until the Pontiac City Council takes legislative action. This action was scheduled to be presented to Pontiac City Council for the week following this meeting. Further discussion was held regarding documents submitted to the IRS. Atty. Kopacz will send the Trustees the power point used at the last City Council meeting.

City Initial Payment Due to the VEBA

Discussion was held regarding the need of initial funding for the VEBA so that the Board could start the process of putting service providers in place. Discussion ensued about the City's initial contribution owed to the VEBA according the CPREA v Pontiac Settlement Agreement. The Settlement Agreement requires the City to pay the VEBA the sum of \$4,250,000.00. According to the terms of the Settlement Agreement, the City paid \$4,073,974.61 to the PFR VEBA as satisfaction of a judgment. As such, the City's initial contribution owed to the VEBA is \$176,025.39.

Motion: The Chair, Vice Chair and Atty. Kopacz to submit a request to the City Council for resources to the VEBA so that the Board of Trustees can start the process of hiring

CITY OF PONTIAC VEBA TRUST

services providers for the fulfillment of its obligations as outlined in the Trust and settlement agreement. By Moore, Seconded by Bryant.
Motion passed unanimously.

Review of Health Care Benefit Eligibility

It was noted that some people have been contacting the PGERS regarding health care benefits and opt out options. The Chair opined that the group entitled to such benefits had to be retired or vested by December 22, 2011. Further, that both CPREA and the City, in the course of negotiations and mediation, worked extensively and exhaustively on developing a list of eligible participants. Discussion also segued to the source of funds to be used for payment of those members who choose the opt out benefit.

Additional Action Items

There were no additional action items

Next Meeting

Motion: The next BOT VEBA meeting be set for October 22, 2020 at 3pm. By Watson, Seconded by Moore.
Motion passed unanimously.

Adjournment

Motion: To adjourn. By Moore, Seconded by Bryant.
Motion passed unanimously.

Submitted for your consideration,



Lon G. Britton
Secretary