

**CITY OF PONTIAC VEBA TRUST  
BOARD OF TRUSTEES SPECIAL MEETING  
January 28, 2025**

A meeting of the Board of Trustees was held on Tuesday, January 28, 2025

**Trustees Present**

Claudia Filler, Chairperson (via Zoom)  
Matt Nye, Trustee (*arrived at 10:08 a.m.*)  
Lon Britton, Secretary (via Zoom)  
Linda D. Watson, Trustee  
Julie Moll, Trustee (via Zoom)

**Others Present**

Matt Henzi, AsherKelly  
Violet Gjorgjevski, BeneSys  
Jennifer Crosby, BeneSys  
Kim Kulas, Manquen Vance  
Craig Kuenzer, Manquen Vance (via Zoom)  
Colleen Atchison, Foster & Foster (via Zoom)

**Absent Trustees**

Mayor Tim Greimel  
Deputy Mayor Khalfani Stephens

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*Chairperson Filler declared that a quorum was present and called the meeting to order at 10:01 a.m.*

**AGENDA CHANGES – None**

**CONSULTANT REPORTS**

**FOSTER & FOSTER - Colleen Atchinson**

**A. Cost Study for Potential Benefit Enhancements**

Ms. Atchinson reviewed the results of the Cost Study for Potential Benefit Enhancements. The report concluded that the VEBA's funded ratio for the period ended 12/31/23 of 174.5% would drop to 152.7% if all proposed benefit enhancements were implemented in 2025 for the life of the Trust

As additionally requested, she calculated the financial impact to the VEBA using the assumption that the VEBA would add 125 participants through expanded eligibility as negotiated by the City and CPREA. This second calculation also assumed that \$34M would transfer from the Old GERS to the VEBA, also as negotiated by the City and CPREA in their efforts to modify the settlement agreement. Under this calculation, the VEBA's funded ratio for the period ended 12/31/23 of 174.5% would drop to 169.1% if all proposed benefit enhancements were implemented in 2025 for the life of the Trust. Mr. Henzi, legal counsel for the VEBA, informed the Board that he forwarded Foster & Foster the list of 125 persons potentially eligible through the revised settlement agreement. Foster & Foster estimated the ages of persons in this group using the same proportions of the ages of the existing VEBA membership. He also estimated that not all of the 125 persons on this list will be eligible for VEBA coverage under the VEBA's existing eligibility requirements.

**RESOLUTION by Mr. Britton; seconded by Ms. Watson**

Further Resolved, whereas the City of Pontiac VEBA Trust has costed out benefit improvements and commissioned an actuarial impact study of implementing these benefits; and, whereas the actuary, Foster and Foster, has determined through their analysis, based on December 31, 2023 valuation of the VEBA Trust, that

the Trust will have a funded ratio of 152.7% even after all the following benefits are implemented and granted to members of the VEBA Trust. Therefore, be it resolved that, the current benefit levels shall be increased to include \$5,000 hearing aid coverage, prescription copay to \$5/\$25/\$50, elimination of dental deductible and increase dental annual maximum to \$2,000, as costed and provided by Manquen Vance, the VEBA Trust's HealthCare agent, effective May 1, 2025, to all members of the City of Pontiac VEBA Trust

Yea – 5      Nay – 0

## **Motion Carried**

### **B. Valuation Report – December 31, 2023**

This information was provided to the Board as a source of information and comparison.

## **MANQUEN VANCE – Kim Kulas & Craig Kuenzer**

### **A. Cost Summary – Benefit Enhancements**

### **B. Summary of Rates for 2025 Options**

Ms. Kulas stated that Manquen Vance will obtain the contracts for the benefit enhancement to have Chairperson Filler sign. Manquen Vance will send out communication to all participants informing them of the benefit enhancements to take place effective May 1, 2025. She will work with Ms. Crosby at BeneSys for the mailing.

### **C. Manquen Vance Update**

Ms. Kulas updated the Board of the potential sale of Manquen Vance to Gallagher and stated the Board will be kept informed.

## **REPORTS**

### **A. CHAIRPERSON**

Chairperson Filler informed the Board that CPREA had met with the City of Pontiac and came to an agreement to settle all of the pending issues in amending the Settlement Agreement. The City of Pontiac provided written terms and CPREA requested a few small changes. CPREA then received a notice that the Mayor of Pontiac, Tim Greimel, wanted to see the CPREA actuarial valuation which has already been provided but was provided again. The City of Pontiac has failed to respond in two months. There has been delay after delay by the City of Pontiac. Extensive discussion took place.

### **B. SECRETARY**

Mr. Britton stated that if the City of Pontiac and CPREA have not reached a resolution by February 27, 2025, he will be recommending that the VEBA hire Legal Counsel to obtain the assets of \$34M now held by the Old GERS .

### **C. TRUSTEE COMMITTEES**

Ms. Moll stated that she is working on reports that will be presented by the Investment Committee at the February 27, 2025, meeting.

**D. LEGAL REPORT - None**

**E. TRUSTEE COMMENTS - None**

**F. PUBLIC COMMENTS - None**

**OLD BUSINESS - None**

**NEW BUSINESS**

**A. Bills for Approval**

Ms. Crosby presented outstanding invoices for Foster & Foster (\$10,950.00 and GJC (\$2,400.00) for actuarial and audit services, respectively, performed by each to the Board for approval to pay.

**RESOLUTION by Mr. Nye; seconded by Ms. Watson**

Further Resolved, to authorize payment of the invoices presented for Foster & Foster and GJC.

Yea – 5      Nay – 0

**Motion Carried**

**B. GJC – Management Letter for Audit December 31, 2023**

**C. GJC – Required Communication for Audit December 31, 2023**

**D. GJC – Financial Statement December 31 and June 30, 2023**

**RESOLUTION by Mr. Britton; seconded by Ms. Moll**

Further Resolved, to accept and file the Audited Financial Statement as of December 31, 2023, as prepared by GJC.

Yea – 5      Nay – 0

**Motion Carried**

**NEXT REGULAR MEETING DATE – February 27, 2025, at 1:00 p.m.**

**ADJOURNMENT**

**RESOLUTION by Mr. Nye; seconded Mr. Britton**

Further Resolved, that the meeting be adjourned at 10:43 a.m.

I certify that the foregoing are the true minutes of the City of Pontiac VEBA Trust on January 28, 2025.

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*As recorded by BeneSys*