

## CITY OF PONTIAC VEBA TRUST (VEBA)

### December 31, 2023 Summary Annual Report

*The Public Employee Retirement System Investment Act requires the City of Pontiac VEBA (“VEBA”) to prepare and issue a summary annual report and to publish and make available a list of all expenses paid by soft dollars annually. The following information is provided for the year 2023.*

The name of the retirement system is the City of Pontiac VEBA Trust. The VEBA’s investment fiduciaries are:

Trustees of the City of Pontiac VEBA Trust  
Baird  
Bloomfield  
Dahab Associates  
Fidelity  
Invesco  
Vanguard  
WCM  
Wellington  
YCM

The names of the VEBA’s service providers are:

AsherKelly, PLLC, Legal Advisor  
BeneSys, Inc., Third Party Administrator  
Comerica Bank, Custodian  
Foster & Foster, Actuary  
George Johnson & Company, Auditor  
Manquen Vance, Insurance Consultant

The VEBA’s changes in net plan assets on a plan-year basis:

	<u>12/31/2022</u>	<u>12/31/2023</u>	
Assets:	\$102,334,275	\$112,416,489	Net increase of \$10,082,214

As reported in the actuarial valuation for the annual period ending December 31, 2023, the VEBA’s valuation assets were \$112,416,489 and its actuarial accrued liabilities were \$64,404,945 which produced a funded ratio of 174.55%.

The VEBA’s investment performance net of fees on a rolling calendar year basis for the previous one, three, five, seven and ten year periods are:

1 year: 11.9%      3 year: N/A %      5 year: N/A %      7 year: N/A %      10 year: N/A %

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The VEBA’s administrative and investment expenditures pursuant to the Standards of the Governmental Accounting Board, including, but not limited to, a list of all expenditures made with soft dollars and all expenditures for professional training and education, including travel expenditures, by or on behalf of PF VEBA board members that are paid by the PF VEBA are:

2023 list of expenditures:

BCBSM MAPD Premium	\$1,322,409
BCBSM Pre-65 Premium	\$1,254,929
BCBSM Vision Premium	\$37,777
Delta Dental Premium	\$227,414
Accounting & Audit Services	\$2,350
Actuary Services	\$0
Administration-BeneSys	\$164,528
Bank Fees	\$14,568
Conferences	\$3,010
Insurance	\$58,097
Investment Consulting fees	\$38,000
Investment Management Services	\$187,885
Legal Services	\$42,657
Meetings	\$1,422
Membership Dues	\$400
Postage	\$1,132
Printing Fees	\$603
Travel Expense	\$3,752
Miscellaneous	\$18,849
<b>TOTAL EXPENSES</b>	<b>\$3,379,782</b>

There were no soft dollars expenses. The VEBA’s itemized budget containing all projected expenditures, including, but not limited to, expenditures for professional training and education, including travel expenditures, by or on behalf of the VEBA board members that are paid by the VEBA for 2024 are:

2024 proposed budget:

BCBSM MAPD Premium	\$1,322,409
BCBSM Pre-65 Premium	\$1,254,929
BCBSM Vision Premium	\$37,777
Delta Dental Premium	\$227,414
Accounting & Audit Services	\$15,000
Actuary Services	\$18,000
Administration-BeneSys	\$165,000
Bank Fees	\$16,000
Conferences	\$4,000
Insurance	\$60,000
Investment Consulting fees	\$35,000
Investment Management Services	\$200,000
Legal Services	\$45,000
Meetings	\$1,500
Membership Dues	\$500
Postage	\$1,200
Printing Fees	\$600
Travel Expense	\$4,000
Miscellaneous	\$18,000
<b>TOTAL EXPENSES</b>	<b>\$3,426,329</b>

The following information as provided in the VEBA's most recent annual actuarial valuation report:

1. The number of retirees and beneficiaries – 702
2. The number of inactive vested members – 197
3. The average annual retirement allowance – N/A
4. The total annual retirement allowances being paid – N/A
5. The valuation payroll – N/A
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: N/A
7. The employer's total contribution rate expressed as a percentage of valuation payroll for FY 2023 is N/A
8. The weighted average of member contributions is: N/A
9. The actuarial assumed rate of investment return is: 6.50%
10. The actuarial assumed rate of long-term medical inflation is: 7.25% pre-65%; 5:50% post-65.
11. The smoothing method utilized to determine the funding value of assets is: Five-year Period.

12. The amortization method and period utilized for funding the VEBA's unfunded actuarial accrued liability, if any: The amortization method is level dollars.
13. The VEBA's actuarial cost method is commonly referred to as the: Entry Age Normal (Level Dollar).
14. Whether VEBA membership is open or closed to specific groups of employees: Closed to eligible retirees and beneficiaries within a defined class set forth in a Consent Judgment, i.e., those who were eligible as a retiree or deferred vested person for retiree health care as of December 22, 2011.