

CITY OF PONTIAC VEBA TRUST (VEBA)

December 31, 2024 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 2024.

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>12/31/2023</u>	<u>12/31/2024</u>	
Assets:	\$112,416,489	\$113,762,039	Net increase of \$1,345,550

As reported in the actuarial valuation for the annual period ending December 31, 2024, the VEBA’s valuation assets were \$113,762,039 and its actuarial accrued liabilities were \$92,701,801 which produced a funded ratio of 122.72%.

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: 9.4% 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:

2024 list of expenditures:

BCBSM MAPD Premium	\$2,002,820
BCBSM Pre-65 Premium	\$4,150,658
BCBSM Vision Premium	\$72,423
Delta Dental Premium	\$439,437
Accounting & Audit Services	\$81,050
Actuary Services	\$35,773
Administration-BeneSys	\$197,985
Bank Fees	\$38,811
Conferences	\$5,021
Insurance	\$58,631
Investment Consulting fees	\$38,000
Investment Management Services	\$122,199
Legal Services	\$111,412
Meetings	\$2,549
Membership Dues	\$200
Postage	\$298
Printing Fees	\$14,896
Document Storage Fee	\$87
Telephone	\$27
Travel Expense	\$121
Miscellaneous	\$20,425
TOTAL EXPENSES	\$7,392,823

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 2025 are:

2025 proposed budget:

BCBSM MAPD Premium	\$2,002,820
BCBSM Pre-65 Premium	\$4,150,658
BCBSM Vision Premium	\$72,423
Delta Dental Premium	\$439,437
Accounting & Audit Services	\$85,000
Actuary Services	\$40,000
Administration-BeneSys	\$200,000
Bank Fees	\$40,000
Conferences	\$5,000
Insurance	\$60,000
Investment Consulting fees	\$40,000
Investment Management Services	\$125,000
Legal Services	\$115,000
Meetings	\$2,500
Membership Dues	\$200
Postage	\$200
Printing Fees	\$15,000
Document Storage Fee	\$100
Telephone	\$30
Travel Expense	\$150
Miscellaneous	\$20,000
TOTAL EXPENSES	\$7,413,518

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.