

CITY OF PONTIAC VEBA Trust

VEBA Trust Board MEETING MARCH 11, 2021 Meeting Minutes

On March 11, 2021 a meeting of the Board of Trustees of the City of Pontiac VEBA Trust was called to order at 9:01 am.

The Chairperson announced the meeting was being held virtually due to the ongoing COVID Pandemic lockdown.

Trustees Present:

Claudia Filler, Chairperson - Auburn Hills, MI
Deirdre Waterman, Vice Chairperson - Pontiac, MI
Lon Britton, Secretary - Sebastian, FL
Linda D. Watson - Pontiac, MI
NZ Bryant - Orchard Lake, MI
Darin Carrington - Southfield, MI
Walter Moore - Lantana, TX

Others Present:

Matthew Henzi, Attorney, AsherKelly
Samantha Kopacz, Attorney, Miller, Canfield
Violet Gjorgjevski, Benesys
Duane Menter, Benesys
Steve Roth, Dehab
David Lee, Dehab

PUBLIC COMMENT - None

APPROVAL OF MINUTES

It was noted that the minutes should be corrected to reflect that Walter Moore was not present and was excused from the meeting

Motion by Watson, supported by Carrington to approve the minutes of the meeting held February 18, 2021 with correction stating Walter Moore was excused from the meeting.

Roll Call Vote:

Yes - Filler, Waterman, Britton, Watson, Bryant, Carrington, Moore
No - none
Motion Carried 7/0

REPORTS

Matthew Henzi reported the the final contract with Benesys has been completed and a clean copy will be ready for execution with a start date of April 1, 2021. When signed they will begin to collect the census data.

The contract with Comerica is pending until their mark-up is received for review.

A transition timeline is included in Mr. Henzi's report. On February 25, 2021 the P&F VEBA shared the timeline with Dahab and other plan professionals. Dehab was asked to evaluate the timeline and provide a recommendation on how the assets should be transferred. The P&F VEBA does not want to segregate their assets in the new VEBA.

A meeting has been scheduled for March 19, 2021 for representatives of GERS, PFRS VEBA and this VEBA discuss details and the timeline for transfer of assets.

The timeline includes two examples. One to commence benefits as of July 1, 2021 and the second to commence benefit as of September 1, 2021 in case of any delay. The census data is the most important item to complete at this time so that insurance agents can obtain quotes. The agents have signed agreements regarding confidential data. Member zip codes are important as they will provide information on how many retirees reside out of state. Member social security numbers must be encrypted. Once the agents receive the census data they expect a 60 day turnaround.

Notice of Ray Wiggins eligibility letter was received from PFVEBA.

Trustee Waterman stated that the City has an indication that the IRS is in the final review process of final determination. She also stated that although the \$400 per month payment to retirees is scheduled to end on August 31, 2021, they can be stopped earlier pursuant to City Council's resolution that provides they can end when benefits commence.

All eligible members of the VEBA must receive a letter 90 days prior to commencement of benefits giving them the option to opt out of the VEBA. These letters should go out as soon as possible.

Samantha Kopacz reported she spoke with the IRS on March 10, 2021 regarding the determination letter. She said we should have the letter by March 31, 2021 but there is no guarantee. Comprehensive draft of merger agreement with P&F VEBA is in process.

Trustee Britton asked if the payments to members opting out of the VEBA is an obligation of the City or the VEBA. Ms. Kopacz stated the payment is not a benefit and believes it may not be permissible from the VEBA unless it fell under the de minimus exception. Its a gray area. The amount of people opting out and cost of benefit information would have to be compared. It may be possible to use some of the GERS excess assets to pay for the opt outs before they were transferred into the VEBA as the Settlement Agreement doesn't specify the payer but her opinion is if it was not de minimus it may not be payable by the VEBA and it would be the City's obligation.

There was discussion regarding getting opt out letters to retirees as soon as possible to obtain information on how many would be opting out. Mr. Henzi asked who would be responsible for getting the letter out and suggested it contain a signature line for retiree and spouse. Mr. Henzi and Ms. Kopacz were asked to work on the letter including a 30 day deadline to opt out.

TRUSTEE COMMENTS

Trustee Carrington reported that the HR Department is working on the census data but he doesn't have anything specific on when it will be completed. He will provide a timeline when he gets the information.

Trustee Watson asked if CPREA will review the data once it is compiled. The Chair stated they would.

Trustee Watson asked if the Reimbursement Policy was a final draft and stated 14A should be corrected to state Trustees may only be approved to attend one out of state conference per year. It was noted this had already been included in the policy.

NEW BUSINESS

Invoices #2829 and #2911 were received from AsherKelly for legal services.

Motion by Watson, supported by Britton to approve these invoices for payment.

Roll Call Vote:

Yes - Filler, Waterman, Britton, Watson, Bryant, Carrington, Moore

No - none

Motion Carried 7/0

Trustee Carrington was asked the status on the payment for AsherKelly Invoice # 2742 submitted to the City for payment. He advised that due to pending litigation between CPREA and the City they are waiting for advisement from the attorneys for the City.

Trustee Watson asked if the transfer of funds from the P&F VEBA would be in kind or cash. David Lee, Dehab, advised that there are questions about the amount of cash needed for opt outs and they are still working with the managers. Steven Roth, Dehab, stated it would probably be cleaner to just change the tax ID number on the P&F VEBA account to the tax ID number of the new VEBA Account as the custodian is the same.

Benesys will post a notice for the transition meeting being held for GERS, P&F VEBA and new VEBA on March 19, 2021. Benesys will also host the meeting virtually. The agenda will be to discuss merger issues.

It was decided to have the Chairperson and Matt Henzi advise the board when the next meeting would be necessary.

Motion by Moore, supported by Waterman to adjourn the meeting.

Roll Call Vote:

Yes - Filler, Waterman, Britton, Watson, Bryant, Carrington, Moore

No - none

Motion Carried 7/0

The meeting adjourned at 10:36 am..

Submitted for your consideration,



Lon G. Britton Secretary

**CITY OF PONTIAC VEBA TRUST
BOARD OF TRUSTEES SPECIAL MEETING**

March 11, 2021, 9:00 A.M.

AGENDA

1. ROLL CALL

Trustees:

Claudia Filler, Chairperson

Mayor Deirdre Waterman, Vice Chairperson

Lon Britton, Secretary

Walter Moore

Linda D. Watson

N.Z. Bryant

Darin Carrington

Others Present:

2. PUBLIC COMMENT

3. Approval of Meeting Minutes February 18, 2021

4. REPORTS

A. Chairperson

B. Secretary

C. Trustee Committees

D. Legal Report

E. Trustee Comments

5. NEW BUSINESS

A. AsherKelly Invoices

1. Invoice # 2829 - \$9,786.50

2. Invoice # 2911 - \$6,216.00

6. OLD BUSINESS

A. Payment Status of AsherKelly Invoice #2742

7. NEXT MEETING DATE

TBD

8. ADJOURNMENT

ASHERKELLY
ATTORNEYS AT LAW

25800 Northwestern Highway
Suite 1100
Southfield, MI 48075

Telephone (248) 746-2710

FEDERAL TAX I.D. No 84-3379113
www.asherkellylaw.com

FAX: (248) 746-2738

Attn: CLAUDIA FILLER
CITY OF PONTIAC VEBA TRUST
47450 WOODWARD AVE
PONTIAC, MI 48342

February 18, 2021
Client Matter ID: PONV.140124
Invoice #: 2829
Billing Atty: MIH
Page: 1

RE: GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH 01/01/2021 AND
01/31/2021

Fees

	Hours
TELEPHONE CONFERENCE AND EMAILS REGARDING RFPs	0.40
PREPARATION OF RULES AND REGULATIONS	1.10
PREPARATION OF ETHICS POLICY	0.30
PREPARATION OF EXPENSE REIMBURSEMENT POLICY	0.30
PREPARATION OF COMPUTER POLICY	0.20
PREPARATION OF CREDIT CARD POLICY	0.20
PREPARATION OF SOCIAL SECURITY NUMBER POLICY	0.20
PREPARATION OF RULES AND REGULATIONS FOR OPERATION OF THE BOARD	3.80
PREPARATION OF ATTORNEY REPORT FOR JANUARY 14, 2021 MEETING	0.80
RESPOND TO RFP QUESTIONS	0.30
RESPOND TO RFP QUESTIONS	0.40
CORRESPONDENCE WITH CHAIR REGARDING AGENDA	0.10
MULTIPLE CORRESPONDENCE WITH RFP RESPONDERS	0.50
TELEPHONE CONFERENCE AND CORRESPONDENCE WITH RFP RESPONDERS	0.40
MULTIPLE CORRESPONDENCE WITH TRUSTEES REGARDING RFP RESPONSES	0.40
PREPARE FOR AND ATTEND MEETING	2.20
MULTIPLE TELEPHONE CONFERENCES AND CORRESPONDENCE WITH RFP RESPONDERS	0.90
MULTIPLE TELEPHONE CONFERENCES AND CORRESPONDENCE WITH RFP RESPONDERS	0.60
REVIEW TWO RFP RESPONSES FOR CUSTODIAN	1.00

CITY OF PONTIAC VE
 RE: GENERAL
 I.D. PONV-140124

- MIH

Invoice

02/18/2021
2829

Page: 2

	Hours	
REVIEW THREE RFP RESPONSES FOR INVESTMENT CONSULTANT	2.40	
REVIEW THREE RFP RESPONSES FOR THIRD PARTY ADMINISTRATOR	2.10	
REVIEW THREE RFP RESPONSES FOR FIDUCIARY LIABILITY INSURANCE AGENT	0.60	
PREPARE CHART SUMMARIZING RFP RESPONSES FOR CUSTODIAN	0.80	
PREPARE CHART SUMMARIZING RFP RESPONSES FOR INVESTMENT CONSULTANT	1.20	
PREPARE CHART SUMMARIZING RFP RESPONSES FOR THIRD PARTY ADMINISTRATOR	1.40	
PREPARE CHART SUMMARIZING RFP RESPONSES FOR INSURANCE AGENT-FIDUCIARY LIABILITY	0.90	
PREPARATION OF TRUSTEE HANDBOOK; SEND TO TRUSTEES	1.00	
PREPARATION OF ATTORNEY REPORT FOR 1/21 MEETING	0.40	
TELEPHONE CONFERENCE WITH RFP RESPONDER, TMR	0.10	
REVISE RULES AND REGULATIONS	1.10	
DELIVER RFP RESPONSES TO TRUSTEES	0.60	
PREPARE FOR AND ATTEND TRUSTEE MEETING	3.90	
FOLLOW UP FROM MEETING	0.80	
PREPARE CORRESPONDENCE TO MULTIPLE PROFESSIONALS INVITING TO INTERVIEW	0.60	
REVIEW THREE RFP RESPONSES FOR PROCURING BENEFITS	1.50	
REVISE RULES AND REGULATIONS	0.60	
PREPARE NOTICE OF ELECTRONIC REGULAR MEETING; PREPARE NOTICE OF ELECTRONIC SPECIAL MEETING	0.90	
MULTIPLE CORRESPONDENCE AND TELEPHONE CONFERENCE TO RFP RESPONDERS	1.00	
REVIEW FIVE INSURANCE AGENCY PROCUREMENT OF BENEFITS RFP RESPONSES	3.80	
PREPARE CHART OF INSURANCE AGENCY RFP RESPONSES	1.20	
PREPARE CORRESPONDENCE WITH QUESTIONS TO INTERVIEWING PROFESSIONALS IN 4 CATEGORIES	1.80	
DELIVER RFP RESPONSES; MEET WITH CHAIRWOMAN	1.20	
CORRESPONDENCE TO INVESTMENT CONSULTANT CANDIDATES WITH ADDITIONAL QUESTIONS FOR INTERVIEW	0.90	
MULTIPLE CORRESPONDENCE AND TELEPHONE CONFERENCE WITH PLAN PROFESSIONAL CANDIDATES	1.40	
REVIEW AND FORWARD BRI SUBMISSION	0.20	
PREPARE FOR AND ATTEND MEETING	6.40	
Total For Current Fees Rendered	<u>52.90</u>	<u>9,786.50</u>

Fee Recap

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Matt I. Henzi	52.90	\$185.00	\$9,786.50

CITY OF PONTIAC VE
 RE: GENERAL
 I.D. PONV-140124

- MIH

Invoice

03/08/2021
2911

Page: 2

	Hours	
FOLLOW UP ON ACTION ITEMS	0.30	
OPEN MEETINGS RESEARCH AND MEMO REGARDING OPEN MEETING AMENDMENT TO PRIOR MEMO	0.80	
REVIEW CPREA MEMORANDUM REGARDING OPT-OUT FOR MARRIED INDIVIDUALS	0.60	
CORRESPONDENCE WITH CHAIR REGARDING OUTSTANDING ISSUES FROM LAST MEETING	0.50	
REVIEW AND REVISE DAHAB CONTRACT	0.60	
RESEARCH PA 254; COMPARE WITH RULES AND REGULATIONS	0.40	
DETERMINE CHANGES TO POLICY FOR CONDUCT OF VIRTUAL MEETING (RED-LINE)	0.40	
PREPARATION OF REVISED ELECTRONIC MEETING POLICY	0.40	
PREPARATION OF ATTORNEY REPORT	1.00	
REVIEW AND REVISE DAHAB CONTRACT	0.60	
REVIEW BENESYS CONTRACT; COMPARE WITH PRIOR CONTRACTS	0.60	
REVISE ATTORNEY REPORT	0.40	
REVIEW COMERICA CUSTODY AGREEMENT; CORRESPONDENCE WITH MR. BERD	0.50	
REVIEW AND REVISE BENESYS ADMINISTRATIVE AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT	2.60	
PREPARE FOR AND ATTEND MEETING	1.20	
REVISE BENESYS CONTRACT; CORRESPONDENCE WITH BENESYS	0.40	
TELEPHONE CONFERENCE WITH CHAIRPERSON REGARDING CENSUS DATA	0.10	
CORRESPONDENCE WITH DAHAB REGARDING EXECUTED CONTRACT	0.10	
CORRESPONDENCE WITH CHAIR REGARDING CENSUS DATA	0.20	
PREPARATION FOR, ATTENDANCE AT, AND FOLLOW UP OF MEETINGS	2.80	
CORRESPONDENCE WITH FINANCE DIRECTOR REQUESTING ELIGIBLE MEMBER VITAL INFORMATION	0.30	
TELEPHONE CONFERENCE WITH WILLIS TOWERS REGARDING INSURANCE BENEFITS PROPOSAL	0.40	
CORRESPONDENCE WITH BENESYS REGARDING CONTRACT	0.20	
FOLLOW UP FROM MEETING	0.50	
TELEPHONE CONFERENCE WITH CHAIR REGARDING ACTION ITEMS	0.30	
Total For Current Fees Rendered	33.60	6,216.00

Fee Recap

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Lyndsey K. Bates	2.60	\$185.00	\$481.00
Matt I. Henzi	27.00	185.00	4,995.00
Cynthia Billings-Dunn	2.80	185.00	518.00
Kal H. Najjar	1.20	185.00	222.00

CITY OF PONTIAC VE
 RE: GENERAL
 I.D. PONV-140124 - MIH

Invoice

03/08/2021
 2911
 Page: 3

Expenses

02/03/2021	PHOTOCOPY CHARGES	0.10
	Total Expenses	<u>0.10</u>
	Total Current Work	6,216.10
	Previous Balance	\$15,188.50
	Balance Due	<u>\$21,404.60</u>

Aged Due Amounts

<u>Stmt Date</u>	<u>Stmt #</u>	<u>Billed</u>	<u>Due</u>
01/14/2021	2742	5,402.00	5,402.00
02/18/2021	2829	9,786.50	<u>9,786.50</u>
			15,188.50

Please Remit \$21,404.60

**We are now accepting electronic and credit card payments.
 All credit card payments are charged a 2.95% processing fee.
 There is no charge for eChecks.**

ASHERKELLY
ATTORNEYS AT LAW

25800 Northwestern Highway
Suite 1100
Southfield, MI 48075

Telephone (248) 746-2710

FEDERAL TAX I.D. No 84-3379113
www.asherkellylaw.com

FAX: (248) 746-2738

Attn: CLAUDIA FILLER
CITY OF PONTIAC VEBA TRUST
47450 WOODWARD AVE
PONTIAC, MI 48342

March 8, 2021
Client Matter ID: PONV.140124
Invoice #: 2911
Billing Atty: MIH
Page: 1

RE: GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH 02/01/2021 AND
02/28/2021

Fees

	Hours
TELEPHONE CONFERENCE WITH MR. FLADGER REGARDING FIDUCIARY LIABILITY POLICY	0.20
PREPARE FOR AND ATTEND TRUSTEE MEETING	5.10
TELEPHONE CONFERENCE WITH CITY COUNCIL ATTORNEY MS. SHARP REGARDING TRUSTEE TERM	0.10
PREPARATION OF CORRESPONDENCE TO CUSTODIAN BANK CANDIDATES	0.20
CORRESPONDENCE TO TPA CANDIDATES; MULTIPLE CORRESPONDENCE TO CHAIR AND TRUSTEE CARRINGTON	0.80
TELEPHONE CONFERENCE WITH RFP RESPONDENTS (CONSULTANTS) REGARDING SUPPLEMENTAL QUESTIONS FOR INTERVIEW	0.30
TELEPHONE CONFERENCE WITH CHAIR REGARDING FOLLOW UP FROM TRUSTEE MEETING	0.20
TELEPHONE CONFERENCE WITH MANQUEN REGARDING PROPOSAL FOR RFP	0.20
PREPARATION OF ATTORNEY REPORT	0.80
REVISE RULES AND REGULATIONS; CORRESPONDENCE TO OFFICES	0.40
PREPARATION OF CORRESPONDENCE TO INSURANCE AGENTS REGARDING FIDUCIARY LIABILITY POLICY	0.20
PREPARATION FOR AND ATTENDANCE AT MEETING WITH BENESYS REGARDING CONTRACT	0.50
PREPARE FOR TRUSTEE MEETING	0.80
REVIEW BENESYS FEE PROPOSAL	0.30
PREPARE FOR AND ATTEND TRUSTEE MEETING	6.10
MULTIPLE TELEPHONE CONFERENCES WITH PROFESSIONALS REGARDING RFP	1.00
REVIEW PA 254	0.20

CITY OF PONTIAC VE
RE: GENERAL
I.D. PONV-140124 - MIH

Invoice

02/18/2021
2829
Page: 3

Total Current Work 9,786.50
Previous Balance \$5,402.00
Balance Due \$15,188.50

Aged Due Amounts

<u>Stmnt Date</u>	<u>Stmnt #</u>	<u>Billed</u>	<u>Due</u>
01/14/2021	2742	5,402.00	<u>5,402.00</u>
			5,402.00

Please Remit \$15,188.50

**We are now accepting electronic and credit card payments.
All credit card payments are charged a 2.95% processing fee.
There is no charge for eChecks.**