

**CITY OF PONTIAC VEBA TRUST  
BOARD OF TRUSTEES SPECIAL MEETING  
June 29, 2022**

A meeting of the Board of Trustees was held on Wednesday, June 29, 2022

**Trustees Present**

Claudia Filler, Chairperson  
Linda D. Watson  
Khalfani Stephens, Deputy Mayor  
Lon Britton – via phone  
NZ Bryant  
Tim Greimel, Mayor  
Walter Moore – via phone

**Others Present**

Matt Henzi, AsherKelly  
Violet Gjorgjevski, BeneSys  
Jennifer Crosby, BeneSys  
Keith Keesling, Member

---

*Chairperson Filler declared that a quorum was present and called the meeting to order at 9:03 a.m.*

**AGENDA CHANGES - None**

**ACTUARIAL SERVICES PRESENTATIONS**

**A. Foster and Foster**

Jason Franken and Colleen Atchison of Foster and Foster were given 30 minutes to present to the Board. Once presentation was complete, time was given for questions and answers. Foster and Foster entered the meeting at 9:05 a.m. and left the meeting at 9:55 a.m.

**B. Lauterbach & Amen**

Todd Schroeder and Bob Rietz of Lauterbach & Amen were given 30 minutes to present to the Board. Once presentation was complete, time was given for questions and answers. Lauterbach & Amen entered the meeting at 10:00 a.m. and left the meeting at 10:39 a.m.

**C. Nyhart**

John Mallows of Nyhart was given 30 minutes to present to the Board. Once presentation was complete, time was given for questions and answers. Nyhart entered the meeting at 10:44 a.m. and left the meeting at 11:46 a.m.

The Trustees discussed at length each of the actuarial firms' presentations.

**RESOLUTION by Mr. Britton; seconded by Deputy Mayor Stephens**

Further Resolved, to retain Foster & Foster as Actuary for the Trust, pending legal review and negotiation of the contract for actuarial services.

Yea – 5      Nay – 2

**REPORTS**

## **A. CHAIRPERSON**

Chairperson Filler updated the Board that CPREA agreed to take stapes to implement a permanent continuation of the \$400 monthly pension increase for GERS retirees and to fund that benefit from excess assets to be transferred from the Old GERS to the new GERS.. A Motion has been submitted to the court to modify the Settlement Agreement to accommodate this agreement. In addition, the Settlement Agreement must be amended to effectuate the merger of the Pontiac Police & Fire VEBA and VEBA without IRS Approval of the proposed merger agreement. Lastly, the Settlement Agreement will be modified to include those retirees with 10 + years of service as of December 22, 2011. The City and CPREA attorneys will draft the amendments. The court date on the pending motion is currently scheduled for October 5, 2022.

### **RESOLUTION by Mr. Moore; seconded by Ms. Watson**

Further Resolved, to amend the agenda to allow for approval to pay outstanding invoices.

Yea – 7      Nay – 0

### **RESOLUTION by Deputy Mayor Stephens; seconded by Mr. Bryant**

Further Resolved, to pay outstanding invoices as presented by BeneSys with the exception of Attucks & Sawgrass, which will be discussed at the next regular meeting.

Yea – 7      Nay – 0

## **B. SECRETARY - None**

## **C. TRUSTEE COMMITTEES - None**

## **D. LEGAL REPORT**

### **RFP for Actuarial Services**

Attorney Henzi addressed this matter for the Board in the Attorney Report.

### **Asset Transfer/Escrow Agreement**

Attorney Henzi addressed this matter for the Board in Attorney Report. As you know, the Settlement Agreement provides for two sources that will fund the VEBA: certain excess GERS assets that have been previously defined and 100% of the PF VEBA assets.

The City and CPREA resolved numerous issues relating to funding a \$400.00 GERS retiree benefit. Consequently, the remaining excess GERS assets will be transferred to the New GERS. This is subject to the City and CPREA obtaining Court approval of a revision to the Settlement Agreement. CPREA filed a Motion seeking approval of the revision to the Settlement Agreement. A hearing is scheduled for October 5, 2022. Considering this resolution, there has been no further effort to complete an escrow agreement.

Legal produced to Nyhart the information identifying GERS' retirees who have 10+ years' of service credit as of December 22, 2011, so that Nyhart can complete its financial analysis of the cost impact to the VEBA if eligibility is expanded to include these persons. The bargaining parties are also negotiating, and/or analyzing the financial impact of, expanding eligibility to include District Court retirees and offering the opt-out to certain surviving spouses.

### **City of Pontiac/PF VEBA/VEBA Merger Agreement**

Attorney Henzi addressed this matter for the Board in the Attorney Report.

Since last meeting, legal sent correspondence to the attorneys for the City and CPREA requesting whether those entities were interested in revising the Settlement Agreement and Merger Agreement to remove language making the Merger Agreement dependent upon IRS approval. Both entities have responded affirmatively. The Settlement Agreement and Merger Agreement will be revised.

### **Legislative Update**

#### **House Bill 5427**

Attorney Henzi addressed this matter for the Board in the Attorney Report.

### **TRUSTEE COMMENTS**

Discussion took place regarding future Surviving Spouse eligibility. Further discussion will be needed regarding retirees who age in to the VEBA and the eligibility of their spouses. These matters will be placed on the agenda for the next Board Meeting. Mr. Henzi will draft a policy for the Board to review.

### **PUBLIC COMMENTS**

Mr. Keesling asked the Board for an update regarding adding the members who have at least 10 years of service as of December 22, 2011. Chairman Filler explained that the Settlement Agreement has to be amended and right now a court date of October 5, 2022 is in place.

### **UNFINISHED BUSINESS**

#### **A. List of Potential VEBA Participants**

Ms. Crosby was able to provide a list to the Board, with the assistance of information provided by GERS, showing that there are potentially 53 retirees who had 10+ years of service as of December 22, 2011. This information has been provided to Nyhart so they can complete the cost study of adding these 53 retirees to the VEBA.

### **CORRESPONDENCE**

#### **A. Letter from Member Re: Denied Appeal**

#### **RESOLUTION by Ms. Watson; seconded by Mr. Bryant**

Further Resolved, to table this matter to the next Board Meeting.

Yea – 7      Nay – 0

#### **B. MAPERS Fall 2022 Conference Agenda**

Discussion took place regarding expense reimbursement for conferences. BeneSys will look into Credit Cards for Trustees to use.

**NEXT MEETING DATE: September 8, 2022, 9:00 a.m.**

**ADJOURNMENT**

**RESOLUTION by Mr. Bryant; seconded Mr. Moore**

Further Resolved, that the meeting be adjourned at 1:04 p.m.

I certify that the foregoing are the true minutes of the City of Pontiac VEBA Trust on June 29, 2022.

---

*As recorded by BeneSys*