

**CITY OF PONTIAC MICHIGAN
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

A regular meeting of the Board of Trustees was held on Wednesday, October 26, 2022 at City of Pontiac General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 8:49 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chairman
Robert Giddings, Vice-Chair
Tim Greimel, Mayor
James Miriani
Billie Swazer
William Parker Jr., City Council – *arr 8:55am*
Patrice Waterman
James Walker

TRUSTEES ABSENT

Lisa King, Excused
John White, Excused

OTHERS

Darlene Clark
Deborah Munson, Executive Director
Xiaotian Xue, Executive Assistant

AGENDA CHANGES: NONE

CONSENT AGENDA

RE: Approval of the Minutes of the Regular Board Meeting held on September 28, 2022

RESOLUTION 22-064 By Waterman, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for September 28, 2022.

Yeas: 7 – Nays: 0

REPORTS:

GERS Transition

Trustee Swazer provided a copy of September 7, 2022 communication from Eric Ladasz to the CPREA Board.

She reviewed the communication with the Trustees noting that Peter Alter told the CPREA Board that the City had proposed some additional amendments to the settlement agreement, some with which he agrees and some he doesn't. His memo to the CPREA Board includes the following five points and she gave her

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understanding of the membership's position on each one:

- No change to the level of health insurance is being requested by CPREA at this time.
- Agree to add to the Class MAPE members who were hired on or before July 1, 2022.
- Agree to add to the Class 'contract' employees who were active employees as of December 22, 2011 and whose employment was covered by an agreement with Emergency Manager
- Definition of Enhanced Benefit Assumption (CPREA has already voted to transfer all of the assets from old GERS to new GERS and the City and the City Council will determine what amount of benefit is affordable so this point is moot).
- Agree to the expansion of \$20,000 opt out to surviving spouses.

She asked the Trustee Greimel what other amendments are being requested by the City. She asked him if CPREA agrees to the first three and last points whether there is any further need for a mediator. If so, she asked what else CPREA would need to agree to in order to come to agreement with the City and request that this matter be sent to the judge for a ruling.

Trustee Greimel responded that he is confused about Mr. Ladasz' correspondence to CPREA Board. There was no mediation held on September 7, 2022 as Mr. Ladasz wrote. It may have been that the attorneys for both sides had informal discussions but there was no mediator involved.

Trustee Swazer asked Trustee Greimel if there are any more items to be negotiated.

Trustee Greimel responded that the main issue with CPREA is about the actuarial reports. As he said last week, he really doesn't understand it - why do they need an actuarial study of the VEBA when their own Chairperson is the Chair of the VEBA Board. Surely they can't question the VEBA Board' actuary - the Chair of CPREA has supported that actuary - so he doesn't get it. He said the mediator really leaned on us, but you know, certainly as of September 7, 2022, there is no agreement that an independent actuarial report was necessary. Trustee Greimel doesn't know what Mr. Ladasz means by 'we have agreed' in his letter to the CPREA Board. He doesn't know who 'we' are, but certainly at that point he had not agreed to that. He was still fighting that as of last week.

Trustee Swazer stated that she doesn't think we need to pay mediation at all.

Miss Munson reiterated that Trustee Swazer is asking questions. The CPREA membership will be meeting on Friday and they plan to state their position and vote on the items outlined in Mr. Ladasz's letter. Trustee Swazer has suggested that the CPREA membership's position is 1) there should be no change to the level of health insurance being requested by CPREA at this time 2) they agree to add to the Class MAPE members who were hired on or before July 1, 2022 3) they agree to add the Class 'contract' employees - those employees who are active as of December 22, 2011 whose employment was covered by an agreement with the Emergency Manager 4) this point is moot - the CPREA membership voted in June to transfer all of the assets from old GERS to new GERS and it is the City Council and they Mayor who are going to determine what benefit is affordable and 5) they agree to the expansion of the \$20,000 opt-out payment to surviving spouses. What the CPREA membership is looking for from the Mayor to address is what Mr. Ladasz said in his letter which is that the City is proposing all of these other amendments, some he agrees with and some

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he doesn't. What the membership would like to know is whether there is anything else that they would need to be voted on at their meeting Friday that will move this forward. Is the City proposing changes to the settlement agreement other than what was just outlined.

Trustee Greimel responded that what he wanted to immediately say is 'no'. But he wanted to think for a moment and make sure he is not missing anything. There is the item of getting rid of the requirement that IRS approval is needed for the VEBA merger and there are a few examples of the Emergency Manager having entered into agreements with people who may not have had 10 years as of December of 2011. He said that when he gets back to the office he can definitely bring that up but as for now he thinks the only additional items are those that were listed above.

Miss Munson asked Trustee Greimel if CPREA agrees to points 1,2,3 and 5 - no change to the level health insurance, add MAPE members to the Class, add the 'contract' employees, and agree to the \$20,000 opt out - is there any further need for a mediator?

Trustee Greimel responded that he doesn't really think so as long as CPREA make it crystal clear that they're approving the transfer of all of the assets. Because he knows there is question about what is recorded in the CPREA June 2, 2022 minutes - whether they voted to transfer all the assets or just enough assets to cover the permanent increase. He stated that, as long as CPREA make it crystal clear that they've voted the transfer of all of the old GERS assets to the new GERS, he doesn't really think there should be a need for further mediation. That's the short answer.

Miss Munson stated that this is very helpful for the membership and Trustee Swazer and she will have a draft of these minutes prepared for them.

Trustee Greimel responded that he appreciates the questions and the help from the CPREA membership - it is very helpful.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

RE: Resolution to Reschedule November Board Meeting

RESOLUTION 22-065 By Waterman, Supported by Swazer

Resolved, That the Board approves to reschedule the November Board meeting to November 30, 2022.

Yeas: 8 – Nays: 0

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LEGAL REPORT: NONE

PUBLIC COMMENT: NONE

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, November 30, 2022, 8:45 a.m.

RESOLUTION 22-066 By Swazer, Supported by Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 9:05 A.M.

Yeas: 8 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the Reestablished General Employees' Retirement System held on October 26, 2022.

*As recorded by Xiaotian Xue, reviewed and edited by
Legal Counsel and the Executive Director*