

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

A special meeting of the Board of Trustees was held on Monday, February 28, 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 9:41 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Darin Carrington, Secretary *arr 9:55 A.M.*
Robert Giddings, Vice-Chair
Lisa King
James Miriani (electronically) – Oakland Township, Oakland County, Michigan
Walter Moore (electronically) – Lantana, Denton County, Michigan
William Parker Jr., City Council *arr 9:48 A.M.*
Billie Swazer
James Walker
John White

TRUSTEES ABSENT

Tim Greimel, Mayor - Excused

OTHERS

Louise Gates, Gabriel, Roeder, Smith & Co. (electronically)
Steven Roth, Dahab Associates (electronically)
Mizuki Kanno, Executive Assistant
Deborah Munson, Executive Director

AGENDA CHANGES: NONE

LETTER TO BOARD FROM SETTLEMENT CLASS MEMBERS RE: TRANSFER TO VEBA

Patrice Waterman made a statement before the Board.

Good morning and thank you to this Honorable body for receiving our letter from over 200 retirees and affording us this opportunity to present and make our voices heard. The letter before you outlines the position that this membership takes, as you are well aware this is HISTORIC.

We are here to right an injustice that was made by a few that's not in the best interest of the membership as a whole. We find it quite unsettling that a few would object to making sure retirees from every level could be made to LIVE with some dignity and to take the \$400 dollars away would cause a great hardship to many.

It has been indicated that the settlement agreement can be amended by mutual consent of both parties, which was done last year to accommodate the 8 million that was transferred to pay the retirees who opt out of healthcare. We are talking about a sufficient amount of funds.

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For example, you have 486 retirees who receive less than a \$1,000 including \$400 and 391 who receive less than \$800. One in particular that stands out to me is a woman who came before Council when I served and stated that if the \$400 was taken away, she would have \$130. Tell me which of you can survive off that

This \$400 is a Lifeline for many and would be catastrophic to lose after receiving for the past 10 years.

It's been stated that there are members of CPREA who want to enhance the Healthcare settlement for their good but in all reality what they are looking for the \$400 would certainly cover.

The CPREA/City Settlement was for the purpose of restoring healthcare benefits to retirees which we are most grateful for, but it was NOT to create a VEBA with a massive over funding that will never be Needed. In addition, to the funds Old GERS to New GERS- Police and Fire VEBA will be transferring funds as well that would be more than sufficient.

This is truly a Win-win for all retirees. You will receive your pension, healthcare and \$400 dollars. There is truly no reason for what's happening and in the best interest of ALL RETIREES let's stand together and support everyone who contribute their career faithfully in service to the City.

Respectfully Submitted

Patrice Waterman

Retiree, Former Councilmembers & General Employees Retirement Board Member

Bruce Crossman introduced himself to the Board and stated that he would like to make two major points. He first stated that circumstance have changed since the consent agreement was settled. He pointed out that there were approximately 1,500 recipients of healthcare at the time of settlement, and 3-4 years later there is approximately 1,000 recipients. He stated that the money that was agreed to satisfy 1,500 recipients is certainly more than what is necessary for 1,000 recipients which continue to reduce every month. He reiterated that less money is needed now.

Secondly, he reminded everyone that the VEBA is irrevocable trust. He stated that the money that goes into the VEBA could only be used to pay for healthcare benefits and it cannot be returned to anyone. He also pointed out that the two valuations performed recently indicate that the amount of money that was agreed to in the consent judgment is not necessary given the correct membership status. He stated that this is a dispute between the CPREA Board and the majority of the members the Board is supposed to represent. Members of the CPREA Board who have already retained two attorneys with over \$600 an hour fee using the dues the membership has paid into CPREA. He said that this could be easily resolved without going back to the court if the parties would sit down and figure out what has to happen.

He respectfully requested that the GERS Board hold off transferring additional assets to the VEBA until the CPREA Board and the membership Class have had an opportunity to look at the valuations and hopefully reach to a conclusion without any court actions. He asked the Board not to transfer assets to the VEBA which cannot be pulled back out. He thanked the Board for their time.

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Cynthia Walker introduced herself to the Board and thanked the Trustees for the opportunity to speak. She said that she agreed with what Bruce Crossman and Patrice Waterman had said. She stated that the additional stipend benefit is not going to cause any harm and it is not in violation of the settlement agreement. She is not in favor of any protracted litigation which would use unnecessary funds to cover attorney fees for things that could be worked out by the individuals sitting down and talking. She stated that it is important that the members of the Class be heard and hopes that after the next meeting the parties that are in dispute can resolve the matter. She requested on behalf of the members of the Class that the GERS Board not transfer additional assets to the VEBA. She stated that there needs to be a further discussion about it and hopes that action can be taken within the allotted timeframe.

Chairman Albritton asked the Board members if they think it is appropriate to receive this letter and hold off any additional fund over to the VEBA until the parties will have an opportunity to let the voices be heard.

Vice Chairman Giddings and Trustees King, Parker, Swazer, Walker and White concurred that the transfer of additional assets to VEBA should be paused until the parties have the opportunity to resolve this matter.

Trustee Moore stated that he understands the Open Meetings Act and he is in a possession of information regarding the Attorney General ruling that anyone with immune compromised system is permitted to attend meetings virtually. He stated that this Board has not had a chance to examine that, however if this is proven to be the law at some point in time, he would like to go on record himself as voting yes.

Chairman Albritton gave Trustee Miriani opportunity to voice his concerns.

Trustee Miriani stated that he would have voted yes. He pointed out that the average GERS retiree gets \$22,900 per year, Hospital retirees get much less than that, average Police & Fire retiree gets \$55,000.

Chairman Albritton thanked all the Board members for their support and received the letter from the membership that the transfer of the additional assets will be held off until all parties have an opportunity to sit down and meet.

Trustee Moore informed the Board that the new VEBA had a meeting last week, and it was voted that the new VEBA would have an actuarial study performed, which should be finished by March 15, 2022. He stated that this study would determine what the liabilities are for the new VEBA.

PUBLIC COMMENT

Frances Finnegan made a public comment.

Andrea Wright made a public comment.

Stacia Watkins made a public comment.

Linda Watson made a public comment.

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Chairman Albritton responded to Frances Finnegan's comment regarding the IRS stating that there is no agreement with the IRS. The IRS approved to terminate the old GERS, to establish the new GERS and to use excess funding to fund the new VEBA. The IRS approved the process.

The Board reserves the right to enter closed session to review matters in accordance with Michigan Public Act 267 of 1976 (Open Meetings Act).

There was no closed session.

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, March 2, 2022 9:00 a.m.

RESOLUTION 22-022 By Miriani, Supported by King

Resolved, That the special meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 10:09 A.M.

Yeas: 8– Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on February 28, 2022.

As recorded by Mizuki Kanno, reviewed and edited by Legal Counsel and the Executive Director

Public Participants (Use Name Appeared on Zoom – Alphabetical Order)

12482025187
12483343412
12483438490

12486399624
12486785766
12487599013

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12487621445	Kathleen Bierl
12488181195	LaJuan Craft
12488959143	Madhu Oberoi
12488973669	Marquette
12489096464	Mary Schmees
12489359507	MD
16308811831	Michael Sumner
Andrea Samples	moto g play (2021)
Andrea Wright (Zoom user)	Patrice Waterman
bjohitchuk	Patricia Peck
bob marchbankd	Pauline's iPhone
Brenda Causey-Mitchell	Portia's iPhone
Bruce Crossman	Richard T. Seay
Bryant Long	Richard's S21+
Charles's iPad Mini	Rob
cweberperkins	Rob Lavoie
Cynthia	Rochelle Brady
Cynthia Walker	Sandy-Michael
Danotiss's iPhone	stacia
Denise Jackson and Clifford Jackson	Stephanie Sumner (Michael Sumner)
Dennis Scanlon	Tamara
Denzell Walls	Tim Kozub
Dianna's iPad	Yvonne
Donice Adams	Zoom user
Donnie Benion	
Earl Haas	
Eric Ladasz	
frances finnegaN	
Galaxy Note10	
Galaxy S21 FE 5G	
Glenda	
Gregory's iPhone	
Heather Webb	
iPad	
iPad	
IPad - Jawyeuan iPad	
iPad (4)	
iPhone	
iPhone	
iPhoneMyra	
J Stewart	
Jane Arndt	
JAZZY	
Jimmie sumler sr	
Jo Hitchuk	