

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

A regular meeting of the Board of Trustees was held on Wednesday, March 26, 2025, at City of Pontiac Reestablished General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The Notice and the Agenda were posted in accordance with the Open Meetings Act. The meeting was called to order at 9:17 A.M.

TRUSTEES PRESENT

Robert Giddings, Vice-Chair
Tim Greimel, Mayor
William Parker Jr., City Council
Billie Swazer
James Miriani
Patrice Waterman
James Walker
John White

TRUSTEES ABSENT

Sheldon Albritton, Chairman – *excused*

OTHERS

Matthew Henzi – AsherKelly
David Lee – Dahab Associates
Steven Roth – Dahab Associates
Michael Nicholas – George Johnson
David Esshaki – George Johnson
Ken Simon – Consequent Capital
Gerry Flintoft – Consequent Capital - *Electronically*
Rene Lefevre – Loomis, Sayles & Company
Jeff Schwartz – Loomis, Sayles & Company
Linda Watson – Retiree
Gloria Miller – Retiree
Darleen Clark – Citizen
Xiaotian Xue – Executive Director
Benjamin Grier – Certified Public Accountant
Ashley Wright-McGhee – Executive Assistant

AGENDA CHANGES

A. Add agendas under New Business to 1) Amend the Election Policy & Procedures, 2) Change Summary Annual Report (SAR) Publication Method

RESOLUTION 25-017 By Waterman, Supported by Parker

Resolved, That the Board approves the agenda changes recommended by the Personnel & Administration Committee and the Finance Committee.

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Yeas: 8 – Nays: 0

GEORGE JOHNSON COMPANY

A. 2023 AUDITED FINANCIAL STATEMENTS PRESENTATION - DRAFT

Mr. Nicholas and Mr. Esshaki reported on the 2023 Audit draft reports to the Board. Mr. Nicholas reported that the audit has been completed for the year ended December 31, 2023, which was conducted in accordance with auditing standards generally accepted in the United States of America and an unmodified opinion on the financial statements will be issued. The objective of the audit was to obtain reasonable, although not absolute, assurance about whether the financial statements were free from material misstatements. The scope was the same as described both in the engagement letter and the Audit Plan Summary provided to management prior to the start of the audit. The records and information requested were available for audit, and full cooperation from management was received.

Mr. Nicholas pointed out that the key audit areas were focused on investments, participant data, benefit payments, and administrative expenses. He reported certain items that were required under professional standards to discuss briefly with the Board: Note B to the financial statements contains significant accounting policies and practices used by the System; the most sensitive estimates contained in the financial statements were the total pension liability, and the estimated fair value of certain investments not recorded at quoted market prices. The auditors took note of the key factors and assumptions which were used to develop both sets and values and consider them to be reasonable in relation to the financial statements taken as a whole. There were no disclosures in the financial statements that were significantly sensitive; there were no changes in accounting principles during the year, and there was no material corrected misstatements identified during the audit. He continued that there were no unrecorded misstatements; there were no disagreements with management on any financial or reporting matters or auditing procedures that the audit team felt might modify either the financial statements or the report that they expect to issue. The auditors are not aware of any consultations that management had with other independent public accountants since they were engaged to perform services for the System, nor are they aware of any opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles. There were no major issues that were discussed with management before they were retained to conduct the audit and there were no significant issues or difficulties that occurred during the audit; there was no discussion the auditors had with management concerning any alternative methods of accounting treatments or unusual transactions. Upon approval of these draft financial statements by the Board, audit work will be completed to bring audit procedures up to date in real time. As part of which, the audit team will get a required representation letter from management before issuing the signed audit.

Mr. Esshaki reviewed the financial comparison of 2023 vs. 2022 in the financial statements, which combines both the data of both GERS and Reestablished GERS. The total assets increased about \$18.3M from \$433.3M to \$451.6M. Equity investments increased significantly due to market performance. Equity investment balances were up by about 10% from 2022 to 2023, comingled funds and fixed income funds each rose with comingled funds at about 7% and fixed income investments funds rose by about 2%, real estate funds decreased by about 9.2%. The 2023 investment performance was close to the overall market performance of the same period. Benefit payments and administrative expenses were consistent between the two numbers from 2022 to 2023. Overall, there was a very small decrease in the participant benefit payments and a small

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increase of about \$100k in the administrative expenses.

Mr. Nicholas indicated that the audit team considered the internal control over financial reports as a basis for designing the auditing procedures for the purpose of expressing auditors' opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. He reported that there is no material weakness, significant deficiency or control deficiency.

Trustee Waterman asked when the final 2023 audit report was going to be completed.

Mr. Esshaki responded that the estimated completion is 1-2 weeks.

Vice Chairman asked about the 2024 audit timeline.

Mr. Esshaki responded that it was discussed with management that GJC plans to start the field work mid-April with a target of presenting to the Board at the June Board meeting, and finalizing the 2024 Audit Report by the end of June 2025.

Trustee Greimel stressed the importance of limiting future delays in finalizing audit reporting and getting audits done timely, as it can also delay the City of Pontiac submitting its audit report.

RESOLUTION 25-018 By White, Supported by Parker

Resolved, That the Board approves to receive and file the 2023 Audited Financial Statements as presented by George Johnson Company, and, further Resolved that the Board directs the Executive Director to provide a copy of the 2023 Audited Financial Statements to the Pontiac City Council.

Yeas: 8 – Nays: 0

B. Resolution to Approve Chairman's Signature on GJC 2024 Audit Engagement Letter

RESOLUTION 25-019 By Waterman, Supported by White

Resolved, That the Board approves the Chairman's signature on GJC 2024 Audit Engagement Letter.

Yeas: 8 – Nays: 0

CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held on February 26, 2025.

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date March 26, 2025	N/A
Staff Pay Date March 6, 2025	\$ 10,751.56
Staff Pay Date March 20, 2025	\$ 10,751.56

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C. Communications

D. Financial Reports

- Accounts Payable: March 2025 \$ 27,906.18
- Accounts Receivable: February 2025 \$ 324.85

E. Private Equity Capital Calls & Distributions

- Wellington Distribution – 3/6/2025 \$ 12,035.58
- U.S. Real Estate Distribution – 3/13/2025 \$ 23,209.19

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date
2952	Kuhl, Christopher	3/1/2025
2953	Bacheller, Tracy	3/1/2025

Bold type entry indicates Reciprocal service credit.

2. Deceased Retirements

RETNO	NAME	Deceased Date
1569	Leonard, Ronald	3/7/2025
2890	Lether, David	3/9/2025

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Effective Date
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4. Re-calculated Retirements

RETNO	NAME	Reason for Change	Effective Date
1569	Leonard, Ronald	Pop-up	3/1/2025

5. Disability Medical Re-Exams/Benefit Continuation

RETNO	NAME	Effective Date
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6. Refunds of Employee Contributions

RETNO	NAME	Effective Date
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RESOLUTION 25-020 By Waterman, Supported by Swazer

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Resolved, That the Board approves and ratifies actions described in the Consent Agenda for March 26, 2025.

Yeas: 8 – Nays: 0

CONSULTANTS

A. Preliminary Performance and Monthly Asset Level: February 28, 2025

Mr. Roth reported on the Preliminary Performance and Monthly Asset Level as of February 28, 2025. The market Value is at \$474M for GERS and REGERS.

B. Preliminary Market Value Report: March 24, 2025

Mr. Lee and Mr. Roth reported on the Preliminary Market Value of GERS and REGERS as of March 24, 2025.

C. Investment Manager Review: Consequent Capital

Mr. Simon and Mr. Flintoft reported on the firm update, private markets status & outlook, GCAP I Fund Wind Down, EMG Continuation Vehicle Opportunity & GCAP I GP Decision to the Board.

RESOLUTION 25-021 By Waterman, Supported by Parker

Resolved, That the Board approves the Cash-Out Option for GCAP I.

Yeas: 8 – Nays: 0

D. Investment Manager Review: Loomis, Sayles \$ Company

Mr. Lefevre and Mr. Schwartz reported on the investment philosophy and Small Cap value strategies, market overview, and performance attribution to the Board.

E. Dahab Investment Manager Writeups: Consequent & Loomis

Mr. Lee reviewed the investment managers' performance to the Board.

F. Attucks Manager-of-Managers Summary: February 28, 2025

This is for Trustees' information.

REPORTS

Trustees Report

Trustee Greimel reported on the \$400 Enhanced Benefit updates that the City is waiting on the actuarial assessment. The target date is to have the actuarial reports by the end of March 2025. Once received, the City will re-engage further discussions with the CPREA Board.

Committee Report

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Ms. Xue reported both committees reviewed the 2025 Disability Report, Deferred Members Report, Trustee Election Results, 2023 Summary Annual Report, \$400 Enhanced Benefit Report Update, Ordinance Updates, PTO Policy Amendment, Election Policy Amendment. The Personnel Committee reviewed the Deceased Member Report. Finance Committee Reviewed all the investment consultant related items presented to the Board, the 2023 Audit update, Distribution, Accounts Payables and Accounts Receivables.

Chairman Report

Vice-Chairman Giddings reported that the goal is to get the 2024 Audit completed by the end of June 2025.

Executive Director Report

Trustee Waterman stated that the Ordinance Amendment updates need to be placed on the City Council meeting agenda. Trustee Greimel stated that some of the items are subject to GRS' Actuarial cost.

Ms. Xue reported on the Election Results and Ordinance Amendment Updates. Mr. Grier reported on the Accounting System and Procedures Update and the 2024 Audit Status Update.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

A. Resolution to Certify Hospital-Trustee Election Result

RESOLUTION 25-022 By Waterman, Supported by Parker

Whereas, a vacancy will occur on the Reestablished General Employees' Retirement System Board of Trustees when one Hospital-Trustee term expires on March 31, 2025; and

Whereas, eligible members of the Reestablished General Employees' Retirement System have been given the opportunity to file candidate statements for the vacant trustee term; and

Whereas, by its own adopted rules and regulations, the Board of Trustees is required to canvass and certify the results of all Trustee elections; and

Whereas, only one candidate statement has been filed for this vacancy; now, therefore, be it

Resolved, That the Board of Trustees hereby declares that Robert J. Giddings, a retiree of the Reestablished General Employees' Retirement System, having met all requirements to serve as Hospital-Trustee, is officially elected to the office of Hospital-Trustee for a term beginning on April 1, 2025 and expiring on March 31, 2029.

Certified Elected Trustee

Robert J. Giddings

ROLL CALL:

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Giddings – yes
Greimel – yes
Parker – yes
Swazer – yes

Miriani – yes
Waterman – yes
Walker – yes
White – yes

Yeas: 8 – Nays: 0

B. Resolution to Approve the PTO Policy Amendment

RESOLUTION 25-023 By Waterman, Supported by Swazer
Resolved, That the Board approves the PTO Policy Amendment

Yeas: 8 – Nays: 0

C. Resolution to Approve the Election Policy & Procedures Amendment

RESOLUTION 25-024 By Waterman, Supported by Swazer
Resolved, That the Board approves to amend the Election Policy & Procedures and, beginning next election, post the final election result to the official REGERS website only.

Yeas: 8 – Nays: 0

D. Resolution to Approve the 2023 Summary Annual Report (SAR)

RESOLUTION 25-025 By Waterman, Supported by Swazer
Resolved, That the Board approves the 2023 Summary Annual Report.

Yeas: 8 – Nays: 0

E. Resolution to Change the Summary Annual Report Publication from Mailing to Posting on REGERS Official Website Only

RESOLUTION 25-026 By White, Supported by Walker
Resolved, That the Board approves to change the Summary Annual Report Publication from Mailing to Posting on REGERS Official Website Only

Yeas: 8 – Nays: 0

LEGAL REPORT

1. Report from Legal Counsel – General Matters

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Correspondence to Retiree Madhu Oberoi

This is for Trustees' information.

Emails re: Proposed Ordinance Amendments

This is for Trustees' information.

Request and Writ for Garnishment for Stephen McGinnis and Monserrate Rodriguez

This is for Trustees' information.

Power of Attorney – Karen Webster

This is for Trustees' information.

Larry Robinson – Voluntary Retirement Date

This is for Trustees' information.

Lindsay Williams Conservatorship

This is for Trustees' information.

Robbins Geller February 2025 Portfolio Monitoring Report

This is for Trustees' information.

PUBLIC COMMENT

Linda Watson and Darleen Clark made public comments.

Resolution to Go into Closed Session

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

RESOLUTION 24-027 By White, Supported by Walker

Resolved, That the Board approves to go into Closed session to discuss Pilgrim's Pride and Norfolk matters.

Yeas: 8 – Nays: 0

ROLL CALL:

Giddings – yes

Miriani – yes

Greimel – yes

Waterman – yes

Parker – yes

Walker – yes

Swazer – yes

White – yes

The Board went into closed session at 10:54 A.M.

The Board returned from closed session at 11:01 A.M.

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CLOSED SESSION

RESOLUTION 24-028 By Walker, Supported by Waterman

Resolved, That the Board approves to ratify Chairman's signature on Pilgrim's Pride retention litigation agreements.

Yeas: 8 – Nays: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

A. SCHEDULING OF NEXT MEETING

RESOLUTION 25-029 By Parker, Supported by Swazer

Resolved, That the next meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be rescheduled to Friday May 9, 2025 at 9:00 A.M.

Yeas: 7 – Nays: 1 (Waterman)

B. ADJOURNMENT

RESOLUTION 25-030 By Walker, Supported by Parker

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned at **11:03 AM**.

Yeas: 8 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the Reestablished General Employees' Retirement System held on March 26, 2025

As recorded by Ashley Wright-McGhee, reviewed, and edited by the Executive Director Xiaotian Xue and Legal Counsel