

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

A regular meeting of the Board of Trustees was held on Wednesday, June 25, 2025, at City of Pontiac 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 8:49 A.M.

**TRUSTEES PRESENT**

Sheldon Albritton, Chair  
Robert Giddings, Vice-Chair  
Tim Greimel, Mayor – *arrived at 9:27 A.M.*  
William Parker, Jr., City Council – *arrived at 9:10 A.M.*  
Billie Swazer  
Patrice Waterman  
James Walker  
John White

**TRUSTEES ABSENT**

James Miriani – *excused*

**OTHERS**

Cynthia Billings-Dunn – AsherKelly  
David Lee – Dahab Associates  
Michael Nicholas – George Johnson – *electronically*  
David Esshaki – George Johnson – *electronically*  
Ben Wicks – George Johnson – *electronically*  
Darleen Clark-Williams – Citizen  
Xiaotian Xue – Executive Director  
Benjamin Grier – Finance Director  
Ashley Wright- McGhee – Operations Analyst

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**AGENDA CHANGES: NONE**

**GEORGE JOHNSON COMPANY**

**A. 2024 Audited Financial Statements Presentation – DRAFT**

Mr. Nicholas and Mr. Esshaki reported on the 2024 Audit results to the Board. Mr. Nicholas stated that the audit has been completed for the year ended December 31, 2024, 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.

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Mr. Nicholas pointed out that the key audit areas were focused on investments, participant data, benefit payments, and administrative expenses. Mr. Nicholas 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 and there were no changes in accounting principles during the year. The Systems have adopted the provisions of Statement of Governmental Accounting Standards ("SGAS") No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences by requiring that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid and by establishing guidance for measuring a liability for leave that has not been used. The adoption of this new standard did not impact the Systems' net position or changes in net position. There are no other situations involving the adoption of, or a change in, accounting principles where the application of alternative generally accepted accounting principles, including alternative methods of applying an accounting principle, would have a material effect on the Systems' financial statements.

Mr. Nicholas indicated that there was no material, corrected misstatement that they brought to the attention of management. Uncorrected misstatements of the financial statements, which management determined to be immaterial, were to decrease the value of the REGERS investments by approximately \$721,000 for depreciation not recorded because the custodian reports certain investments on a three-month lag. There were no disagreements with management on financial and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a notification of the auditor's report. Mr. Nicholas stated they are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Also, they are not aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles. Prior to this auditor being retained for the current fiscal year, there were no major accounting or other issues of concern that were discussed with management. There were no significant issues discussed with management. There were no significant difficulties encountered during the audits. They will request certain required representations from management before issuing the auditor's report. There was no discussion with management concerning alternative accounting treatments.

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 2024 vs. 2023 in the financial statements, which combines both the data of both GERS and Reestablished GERS. The total investment assets increased about \$20.7M in 2024 going from \$450.9M to \$471.6M. The growth in investment assets during 2024 was largely due to investment returns which were consistent with market returns during the year. Investment asset allocations only slightly changed during 2024 and were explained by asset class investment returns in 2024 and fourth quarter rebalancing. Benefit payments and administrative expenses decreased from \$22M in 2023 to \$21.7M in 2024. The \$300,000 decrease was due to benefit payments being \$400,000 less in 2024 compared to 2023 while administrative expenses were \$100,000 more in 2024 compared to 2023.

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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. Mr. Nicholas reported that there were no material weaknesses, significant deficiencies or control deficiencies.

Trustee White asked about the reported \$300,000 decrease in benefit payments and administrative expenses in 2024 and what was the difference between the benefit payments and administrative expenses.

Mr. Nicholas stated the net decrease was due to about a \$400,000 decrease in benefit payments that were issued between 2023 and 2024. There is about \$100,000 increase in administrative expenses.

Mr. Grier asked for scheduling the 2025 audit procedures sooner next year.

Mr. Nicholas stated the auditors are willing to work with REGERS/GERS to accomplish this goal.

*Trustee Parker arrives at 9:10 A.M.*

**RESOLUTION 25-026** By Swazer Supported by Waterman

**Resolved,** That the Board approves to receive and file the 2024 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 2024 Audited Financial Statements to the Pontiac City Council.

Yeas: 7 – Nays: 0

**CONSENT AGENDA**

**A. Approval of the Minutes of the Regular Board Meeting held on May 28, 2025**

**RESOLUTION 25-027** By Swazer Supported by Walker

**Resolved,** That the Board approves the Minutes of the Regular Board Meeting held on May 28, 2025.

Yeas: 7 – Nays: 0

**CONSULTANTS: NONE**

**REPORTS: NONE**

**EXECUTIVE DIRECTOR REPORT: NONE**

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**UNFINISHED BUSINESS: NONE**

**NEW BUSINESS: NONE**

**LEGAL REPORT: NONE**

**PUBLIC COMMENT: NONE**

**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 25-028** By Waterman, Supported by Swazer

**Resolved**, That the Board approves going into Closed session to discuss the Litigation Strategy in the matter of City of Pontiac VEBA vs. City of Pontiac and the City of Pontiac REGERS and GERS et.al.

Yeas: 7 – Nays: 0

**ROLL CALL:**

Albritton – yes

Giddings – yes

Parker – yes

Swazer – yes

Waterman – yes

Walker – yes

White – yes

The Board went into closed session at 9:13 A.M.

The Board returned from closed session at 9:40 A.M.

**CLOSED SESSION**

*Trustee Greimel arrived at 9:27 A.M.*

**SCHEDULING OF NEXT MEETING/ADJOURNMENT**

**A. SCHEDULING OF NEXT MEETING**

**Regular Meeting Wednesday, July 30, 2025 at 8:45 a.m.**

**B. ADJOURNMENT:**

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**RESOLUTION 25-029** By Swazer, Supported by White

**Resolved**, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 9:41 A.M.

Yeas: 8 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on June 25, 2025.

*As recorded by Operations Analyst Ashley Wright-McGhee, reviewed and edited by Executive Director Xiaotian Xue and Legal Counsel*  
4900-1850-2487, v. 1