

**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 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 8:45 A.M.

TRUSTEES PRESENT

Robert Giddings, Vice-Chair
Tim Greimel, Mayor – *arrived at 8:58 A.M.*
William Parker Jr., City Council
Billie Swazer
James Miriani
James Walker
Patrice Waterman
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
Xiaotian Xue – Executive Director
Benjamin Grier – Certified Public Accountant
Ashley Wright-McGhee – Executive Assistant

AGENDA CHANGES

A. Add Agenda under New Business to Amend the Election Policy & Procedures

RESOLUTION 25-006 By Walker, Supported by Waterman

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

Yeas: 7 – Nays: 0

Trustee Greimel arrived at 8:58 A.M.

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

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

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 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.

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

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 25-007 By Waterman, Supported by Walker

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 25-008 By Swazer, Supported by Parker

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

Yeas: 8 – Nays: 0

CONSENT AGENDA

RE: Approval of the Minutes of the Regular Board Meeting held on February 26, 2025

RESOLUTION 25-009 By Swazer, Supported by Parker

Resolved, That the Board approves the Minutes of the Regular Board Meeting held on February 26, 2025.

Yeas: 8 – Nays: 0

CONSULTANTS: NONE

REPORTS: NONE

EXECUTIVE DIRECTOR REPORT: NONE

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

UNFINISHED BUSINESS: NONE

NEW BUSINESS

A. Resolution to Certify Hospital-Trustee Election Result

RESOLUTION 25-010 By Swazer, Supported by Parker

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

Whereas, eligible members of the 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 Giddings, a retiree of the 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:

Giddings – yes

Miriani – yes

Greimel – yes

Waterman – yes

Parker – yes

Walker – yes

Swazer – yes

White – yes

B. Resolution to Approve the Election Policy & Procedures Amendment

RESOLUTION 25-011 By Waterman, Supported by Walker

Resolved, That the Board approves to amend the Election Policy & Procedures and, from next election, post the final election result to the official GERS website only.

Yeas: 8 – Nays: 0

LEGAL REPORT: NONE

PUBLIC COMMENT

Linda Watson and Gloria Miller made public comments.

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

SCHEDULING OF NEXT MEETING/ADJOURNMENT

A. SCHEDULING OF NEXT MEETING

RESOLUTION 25-012 By Swazer, Supported by White

Resolved, That the Board approves to reschedule the next Board Meeting to Friday May 9, 2025 at 8:45 A.M.

Yeas: 7 – Nays: 1 (Waterman)

B. ADJOURNMENT

RESOLUTION 25-013 By Swazer, Supported by Walker

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at **9:13 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 March 26, 2025.

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