

**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 June 25, 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 09:49 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Robert Giddings, Vice-Chair
Tim Greimel, Mayor – *left at 11:03 A.M.*
William Parker Jr., City Council
James Miriani – *electronically*
Billie Swazer
Patrice Waterman
James Walker
John White

OTHERS

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

AGENDA CHANGES: NONE

GEORGE JOHNSON COMPANY

A. 2024 Audited Financial Statements Presentation – DRAFT

Mr. Nicholas and Mr. Esshaki reported on the 2024 Audit draft reports to the Board. Mr. Nicholas reported 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.

RESOLUTION 25-054 By Walker Supported by White

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: 8 – Nays: 0

CONSENT AGENDA

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

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date June 25, 2025	N/A
Staff Pay Date June 12, 2025	\$ 22,070.06
Staff Pay Date June 26, 2025	\$ 13,165.03

C. Communications

- 2025 Fall MAPERS Conference Registration – September 13-16, 2025 Grand Rapids

D. Financial Reports

- Accounts Payable: June 2025
- Accounts Receivable: June 2025

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E. Private Equity Capital Calls & Distributions

• WTC – 6/5/2025	\$ 19,985.82
• UBS Trumbull – 6/05/2025	\$ 34,801.01
• Mesirow Fund VI – 6/03/2025	\$ 102,000.00

F. Retirement Benefits

1. New Retirements

RETNO	NAME	Effective Date
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Bold type entry indicates Reciprocal service credit.

2. Deceased Retirements

RETNO	NAME	Deceased Date
1712	Joorabchi, Bahman	5/13/2025
1846	Caldwell, Tina	5/27/2025
701452	Bates, AnnMarie	6/5/2025
2467	Joshi, Hemalata	12/22/2023
1803	Ahmad, Asir	6/14/2025

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Effective Date
701712	Joorabchi, Bahman	Joorabchi, Zahra	6/1/2025
702467	Joshi, Hemalata	Ambe, Anupama	1/1/2024
701803	Ahmad, Asir	Ahmad, Jane	7/1/2024

4. Re-calculated Retirements

RETNO	NAME	Reason for Change	Effective Date
2156	Murray, Jacquelyn	Pop-up	7/1/2025

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 25-055 By Waterman, Supported by White

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for June 25, 2025.

Yeas: 8 – Nays: 0

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CONSULTANTS

A. Preliminary Performance and Monthly Asset Level: May 30, 2025

Mr. Lee reported on the May Preliminary Performance and Monthly Asset level. The market value as of May 31, 2025 was \$467M.

B. Preliminary Market Value Report: June 23, 2025

Mr. Lee reported on the preliminary market value as of June 23, 2025.

C. Investment Manager Review: Edgar Lomax

Mr. Murray presented the Large-Cap Value, the investment process, performance & characteristics, and current portfolio holdings to the Board.

D. Investment Manager Review: Decatur Capital

Mr. Wright presented on the Investment Manager's strategy, large cap and portfolio performance to the Board.

E. Dahab Investment Manager Writeups: Edgar Lomax & Decatur Capital

Mr. Lee reported on the investment managers' strategies and performance to the Board.

F. Attucks Manager-of-Manager's Summary: May 30, 2025

This is for Trustees' Information.

Trustee Greimel left at 11:03 A.M.

REPORTS

Trustees Report: NONE

Committee Report

Ms. Xue reported that both the Personnel & Administration Committee and the Finance Committee reviewed the 2025 Disability Report, Deferred Members Report, and the Update on Fiduciary Liability Report, the Enhanced Benefit, and the Ordinance Update. The Personnel & Administration Committee reviewed the Deceased Member Report, Employee Leave Balances. The Finance Committee reviewed the Reports presented by consultants on the investment side and Accounts Receivables.

Chairman Report

Chairman thanked everyone who attended the Trustee Education & Training Retreat.

Executive Director Report

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Ms. Xue reported that the Annual IPS and Ethics Policy Attestation and Annual Fees & Political Contributions Disclosure requests have been emailed to the investment managers and other service providers. Ms. Xue sought Trustee Greimel & Trustee Parker's support to expedite the Ordinance Updates adoption by the City Council.

Mr. Grier reported on the Accounting Systems and Procedures Upgrade Update that a final review of the procedures and manuals will be completed. Mr. Grier attended the NASP conference and provided a statement on his experience.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

A. Resolution to Approve Staff Attendance at 2025 Fall MAPERS Conference

RESOLUTION 25-056 By Swazer, Supported by White

Resolved, That the Board approves Staff Attendance at 2025 Fall MAPERS Conference scheduled for September 13-16, 2025.

Yeas: 7 – Nays: 0

LEGAL REPORT

1. Report from Legal Counsel – General Matters

Donald Kah Durable Power of Attorney

This is for Trustees' information.

Email to City Attorneys re: Proposed Ordinance Amendments

This is for Trustees' information.

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 24-057 By Swazer, Supported by Waterman

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Resolved, That the Board approves to go into Closed session to discuss Bank of America Corporation matter.

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 11:33 A.M.

The Board returned from closed session at 11:56 A.M.

CLOSED SESSION

A. Resolution to approve ratifying the Chairman's Signature on the Sketchers Engagement Letter

RESOLUTION 24-058 By Walker, Supported by Waterman

Resolved, That the Board approves ratifying the Chairman's Signature on the Sketchers Engagement Letter

Yeas: 7 – Nays: 0

B. Resolution to approve May 28, 2025 Closed Session Minutes

RESOLUTION 24-059 By Parker, Supported by Walker

Resolved, That the Board approves May 28, 2025 Closed Session Minutes.

Yeas: 7 – Nays: 0

SCHEDULING OF NEXT MEETING/ADJOURNMENT

A. SCHEDULING OF NEXT MEETING

Regular Meeting Wednesday, July 30, 2025 at 9:00 a.m.

B. ADJOURNMENT

RESOLUTION 25-060 By Swazer, Supported by Waterman

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned at 11:58 A.M.

Yeas: 7 – Nays: 0

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

*As recorded by Operations Analyst Ashley Wright-
McGhee, reviewed, and edited by the Executive Director
Xiaotian Xue and Legal Counsel
4921-3086-0375, v. 1*