CITY OF PONTIAC REESTABLISHED GENERAL EMPLOYEES' RETIREMENT SYSTEM SUMMARY ANNUAL REPORT
DECEMBER 31, 2025

The City of Pontiac Reestablished General Employees' Retirement System ("REGERS") provides post-employment retirement benefits to eligible retirees and vested former employees. For eligible active employees, REGERS provides benefits to help meet financial needs in the event of death or disability. REGERS is funded by the City of Pontiac ("City") and managed by an 11-member Board of Trustees consisting of City officials, retirees and Pontiac citizens.

The Board's fiduciary responsibilities include overseeing the general administration of REGERS and the investment of its assets. To assist in carrying out these responsibilities, the Board retains qualified staff and professional advisors. REGERS' primary financial objective is to prudently invest and accumulate sufficient assets to ensure the timely payment of legally obligated benefits. The Board works closely with its investment consultant to establish and maintain an Investment Policy Statement ("IPS"), which governs the investment of REGERS assets. Investment managers hired by the Board invest assets in accordance with the provisions of the IPS.

This summary report provides a brief overview of REGERS, which operates under the provisions of the City Charter, the City's Retirement Ordinance, applicable laws of the State of Michigan, the Internal Revenue Code, and policies adopted by the Board of Trustees. Additional information and more detailed reports are available through the Retirement Office or on the REGERS website at www.pontiacgers.org.

INVESTMENT FIDUCIARIES

Board of Trustees

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

Investment Managers

American Realty Advisors
Attucks Asset Management
Consequent Capital Management
First Eagle Asset Management
Intercontinental U.S. Real Estate
Invesco Core Real Estate
Kennedy Capital Management
Loomis, Sayles & Company
Mesirow Financial
Northern Trust Asset Management
Principal Asset Management
Robinson Capital Management
TerraCap Asset Management
UBS Asset Management Real Estate
WCM Investment Management
Wellington Management
Xponance Asset Management
Yousif Capital Management

OTHER SERVICE PROVIDERS

Actuary - Gabriel, Roeder, Smith & Company
Auditor - George Johnson & Company
Custodian of Assets - Northern Trust
Investment Consultant - Dahab Associates
IT Administrator - Ark Technologies
Legal Counsel – AsherKelly Law
Medical Director – CoreVisory
Payroll Service Provider- ADP

REGERS is a closed defined benefit plan and does not admit new employees. To determine the City's required contributions and REGERS' funded percentage, the Board retains an independent actuarial consulting firm, Gabriel, Roeder, Smith & Company ("GRS"), to perform annual actuarial valuations. The actuarial valuation as of December 31, 2025, was prepared by GRS using actuarial assumptions that are considered reasonable and appropriate and in accordance with applicable actuarial standards of practice. The Board confirms that the City has provided the required sponsor contributions as required by law. The results of December 31, 2025 actuarial valuation are summarized below:

FISCAL YEAR 2027 SPONSOR
REQUIRED CONTRIBUTIONS IN DOLLARS AND AS A PERCENTAGE OF VALUATION PAYROLL, DEC. 31, 2025 FUNDED STATUS AND OTHER INFORMATION

Required Contributions

Computed Sponsor Amount	$0, 0% of Valuation Payroll
Member Contributions	$0, 0% of Valuation Payroll
Valuation Payroll	$737,858

Funded Status

Valuation Assets	$452,079,782
Actuarial Accrued Liability	$285,745,445*
Funded Percentage	**158.2%****

Other Information

Active Members	12
Retirees and Beneficiaries	932
Vested Inactive Members	78
Total Annual Benefits Paid	$20,067,248
Average Annual Retirement Benefit	$21,531
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Market Value
Investment Rate of Return	6.0%
Projected Salary Increases	3.6% - 7.4%
Includes Inflation at	2.5%
Sponsor's Normal Cost	$1,035,826
Sponsor's Normal Cost as % Valuation Payroll	140%
Actuarial Assumed Healthcare Inflation	7.5% initial rate grading down at .5% per year to 4.5% ultimate rate. Medicare assumption the same except for 6.5% initial rate.

** The Actuarial Accrued Liability is the present value of future benefit payments attributable to past member service.*
*****REGERS only.** The funded percentage is a measure of assets (the "Valuation Assets") divided by the Actuarial Accrued Liability.*

Net Plan Assets Change	**12/31/2024**	**12/31/2025**	**Increases**
REGERS	$410,598,628	$467,067,804	$ 56,469,176
GERS	$ 61,752,332	$ 55,899	$-61,696,433

REGERS EXPENDITURES AND BUDGET

The summary below reflects the 2025 actual and the 2026 budgeted itemized expenditures.

	2025 Actual	2026 Budget
Personnel Related	$ 410,164	$ 440,000
Pension Payments	$ 20,373,653	$ 42,500,000***
Bank Fees	$ 206,517	$ 230,000
Investment Mgmt.	$ 1,368,388	$ 1,800,000
Professional Training/Education	$ 42,411	$ 56,000
Insurance	$ 40,719	$ 55,000
Other Professional Services	$ 339,986	$ 230,000
Rent Related	$ 33,981	$ 29,000
Other Admin. Exp.	$ 13,185	$ 23,000
Supplies & Equipment	$ 38,912	$ 45,000

*** *Incl. Enhanced Benefit Retroactive Payments and Monthly Payments.*

SOFT DOLLAR EXPENDITURES

2025 Soft Dollar Expenditures	$ 28,305.69

INVESTMENT PORTFOLIO COMPOSITION BY ASSET CLASS AT DECEMBER 31, 2025

Domestic Equity	50.9%
International Equity	11.6%
Domestic Fixed Income	26.1%
Private Equity	0.9%
Real Estate	7.4%
Cash & Equivalents	3.1%
Total	**100.0%**

INVESTMENT PERFORMANCE

	1-Year	3-Year	5-Year	7-Year	10-Year
Net of Fees	10.9%	10.0%	6.2%	9.1%	8.1%

Contact us at: memberservices@pontiacgers.org

Visit us at www.pontiacgers.org