

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

A regular meeting of the Board of Trustees was held on Wednesday, January 31, 2024 at City of Pontiac General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 8:50 A.M.

**TRUSTEES PRESENT**

Sheldon Albritton, Chairman  
Robert Giddings, Vice-Chair  
William Parker Jr., City Council  
Billie Swazer  
James Miriani – *electronically under ADA accommodation*  
Lisa King  
Patrice Waterman  
James Walker – *came at 8:52 A.M.*  
John White

**TRUSTEES ABSENT**

Tim Greimel, Mayor - *excused*

**OTHERS**

Linda Watson, Retiree  
Cynthia Billings-Dunn, AsherKelly  
David Lee, Dahab Associates  
Michael Nicholas, George Johnson  
David J. Eshaki, George Johnson  
Tina Turner, Executive Director  
Edith Meyers, Finance Officer  
Xiaotian Xue, Executive Assistant

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**AUDITED FINANCIAL STATEMENTS PRESENTATION: GEORGE JOHNSON COMPANY-DRAFT**

Mr. Nicholas reported that the audit has been completed for the year ended December 31, 2022, which was conducted in accordance with generally accepted auditing standards 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 engagement communications 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

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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 considered to be significantly sensitive; there were no changes in accounting principles during the year and there were no material, corrected misstatements identified during the course of 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. Eshhaki reviewed the financial comparison of 2022 vs. 2021 in the financial statements, which combines both the data of both GERS and Reestablished GERS. The total assets decreased about 28% from \$599.8M to \$434.4M, which was largely due to the transfer of assets to the VEBA and investment market performance downturn and was within close range to what the equity market did at the same period. The net investment appreciation in 2021 flipped to depreciation in 2022 because of the impact on market performance. For benefit payments and administrative expenses, the participant benefit payments decreased mainly due to the ending of \$400 stipend payment in February 2022s. In addition, the System transferred \$76.1M and \$8.0M in 2022 and 2021 respectively to the City of Pontiac for investment in the City of VEBA Trust.

Mr. Eshhaki 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 White asked the estimated man-hours of the 2022 audit.

Mr. Eshhaki responded that it's roughly 100-120 man-hours, and it's about the average of other clients with similar size.

**RESOLUTION 24-001** By Waterman Supported by Swazer

**Resolved**, That the Board approves to receive and file the 2022 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 2022 Audited Financial Statements to the Pontiac City Council.

Yeas: 8 – Nays: 0

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**CONSENT AGENDA**

**RE: Approval of the Minutes of the Regular Board Meeting held on November 29, 2023**

**RESOLUTION 24-002** By Swazer Supported by King

**Resolved**, That the Board approves the Minutes of the Regular Board Meeting held on November 29, 2023.

Yeas: 8 – Nays: 0

**CONSULTANTS: NONE**

**EXECUTIVE DIRECTOR REPORT**

Ms. Turner reported that Trustee Sadowski came in last week to return the iPad and informed that he resigned from the City of Pontiac.

**UNFINISHED BUSINESS: NONE**

**NEW BUSINESS:**

**A. Resolution to Approve 2024 Board Meeting Calendar Update**

Ms. Turner reported that there are several changes in the calendar.

**RESOLUTION 24-003** By Swazer Supported by Parker

**Resolved**, That the Board approves 2024 Board Meeting Calendar Update.

Yeas: 8 – Nays: 0

**B. LEGAL REPORT: NONE**

**PUBLIC COMMENT: NONE**

**SCHEDULING OF NEXT MEETING/ADJOURNMENT**

**Regular Meeting: Tuesday, February 27, 2024, 8:45 a.m.**

**ADJOURNMENT**

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**RESOLUTION 24-004** By Waterman Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac General Employees' Retirement System be adjourned at 9:12 A.M.

Yeas: 8 – Nays: 0

I certify that the forgoing are the true and correct minutes of the meeting of the General Employees' Retirement System held on January 31, 2024.

*As recorded by Xiaotian Xue, reviewed and edited by Executive Director and Legal Counsel*