

**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, May 27, 2026, at City of Pontiac Reestablished General Employees' Retirement System, 2201 Auburn Rd, Suite B, Auburn Hills, MI 48326. The meeting was called to order at 9:02 A.M.

TRUSTEES PRESENT

Sheldon Albritton, Chair
Robert Giddings, Vice-Chair
Michael McGuinness, Mayor
Kathalee James, City Council – *arrived at 9:05 A.M.*
Rob Widigan, City Finance Director
Billie Swazer
James Miriani – *electronically*
Patrice Waterman
James Walker
John White

TRUSTEES ABSENT

Others:

Linda Watson – Retiree
Evelyn Chambers – Retiree
Guillaume Buell – Labaton, Keller, Sucharow
Cynthia Billings-Dunn – AsherKelly
David Lee – Dahab Associates
Steven Roth – Dahab Associates
Michael Nicholas – George Johnson
Ben Wicks – George Johnson
Mike Aleshire – Mesirow
Jay Butterfield – American Realty
Xiaotian Xue – Executive Director
Ashley Wright-McGhee – Operations Manager
Chanel Herring – Administrative Officer

AGENDA CHANGES: NONE

Kathalee James, City Council – arrived at 9:05 A.M.

GEORGE JOHNSON COMPANY

RE: 2025 AUDITED FINANCIAL STATEMENTS PRESENTATION - DRAFT

Mr. Nicholas and Mr. Wick presented the draft 2025 audit reports to the Board. Mr. Nicholas reported that the audits of REGERS and GERS have been completed for the year ended December 31, 2025. GJC also completed the audit of financial statements of the GERS as of, and for the two-month period ended, February 28, 2026. Both audits were 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

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audit was to obtain reasonable, although not absolute, assurance about whether the financial statements were free from material misstatements. The scope of the work performed was substantially the same as described both in the engagement letters 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. 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. 102, *Certain Risk Disclosures*, which requires governmental entities to assess whether a concentration or constraint makes the entity vulnerable to the risk of substantial impact. If certain criteria related to the concentration or constraint are met, disclosures are required in the notes to the financial statements. The adoption of this new standard did not impact the Systems' net position or changes in net position restricted for pensions. 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 misstatements that they brought to the attention of management. There were no unrecorded misstatements. 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. GJC 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. Wicks reviewed the financial comparison of 2025 vs. 2024 in the financial statements, which combines both the data of both GERS and REGERS. The total investment assets decreased by about \$5.1M in 2025 going from \$471.6M to \$466.5M. Fixed income investments show the largest increase in 2025 to approximately \$8M. This was offset by a decrease of \$9.4M in real estate funds. Equity investments ended

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with \$6.4M lower than the 2024 ending balances. Comingled funds increased approximately \$900k compared to the prior year. Net Investment Income shows the major market behaving consistently during the two years being presented. This led to an appreciation of \$42.6M in 2025 and \$35.8M in 2024. Additionally, other incomes were virtually identical to 2024, coming in at \$6.6M. Benefit Payments and Administrative Expenses were highly consistent with the current year's overall decrease of about \$300k.

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.

Mr. Nicholas reported there will be a new Statement of Governmental Accounting Standards ("SGAS") No. 103, *Financial Reporting Model Improvements*, which will be applied to the REGERS Financial Statements for the year ending December 31, 2026, with earlier implementation permitted. The SGAS No. 103 establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: Management's discussion and analysis; Unusual or infrequent items; Presentation of proprietary fund statement of revenue, expenses, and changes in fund net position; Information about major component units in basic financial statements; Budgetary comparison information; and Financial trends information in the statistical section.

RESOLUTION 26-040 By Waterman, Supported by Walker

Resolved, That the Board approves receiving and filing the 2025 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 2025 Audited Financial Statements to the Pontiac City Council.

Yeas: 9 – Nays: 0

CONSENT AGENDA

A. Approval of the Minutes of the REGERS Regular Board Meeting held on April 29, 2026.

B. Ratification of Retiree Payroll & Staff Payroll

Retro Pay Date May 13, 2026	N/A
Retiree Pay Date May 27, 2026	
Staff Pay Date May 14, 2026	\$ 10,876.25
Staff Pay Date May 28, 2026	\$ 10,876.24

C. Communications

- Upcoming FY27 ADP Service Fee Changes

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D. Financial Reports

- April 2026 Cash Receipts and Expenditures

E. Private Equity Capital Calls & Distributions

- WTC \$ 26,036.22
- UBS Trumbull \$ 34,976.05
- Mesriow VI \$ 19,500.00

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
2542	Harris, Richie	5/11/2026

3. J&S Continued Retirements

RETNO	Retiree's Name	Survivor's Name	Effective Date
702542	Harris, Richie	Harris-Warnsley, Brandon	6/1/2026

4. Re-calculated Retirements

RETNO	NAME	Reason for Change	Effective Date
2828	Jackson, Michael	Pop-up	5/1/2026

RESOLUTION 26-041 By Widigan, Supported by Swazer

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for May 27, 2026.

Yeas: 9 – Nays: 0

CONSULTANTS

A. Performance Report Q1, 2026

Mr. Roth reported 2021 Q1 performance report.

B. Preliminary Performance and Monthly Asset Level: April 30, 2026

Mr. Roth reported on the Preliminary Performance and Monthly Asset Level as of April 30, 2026, to the Board. The market value as of April 30, 2026, is \$467M.

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C. Preliminary Market Value Report: May 22, 2026

Mr. Roth reported the Preliminary Market Value Report as of May 22, 2026, to the Board.

D. Attucks Manager-of-Managers Summary: April 30, 2026

This is for Trustees' Information.

E. Preliminary Manager Review: Mesirow

Mr. Aleshire reported on Mesirow's portfolio summary and private equity performance to the Board.

F. Preliminary Manager Review: American Realty

Mr. Butterfield reported on the real estate investment management strategy and performance to the Board.

G. Dahab's Writeups: Mesirow & American Realty

This is for Trustees' Information.

H. 2026-2027 Manager Review Schedule Updates

Mr. Roth reported that the 2026-2027 Manager Review Schedule has been revised to include one manager per Board meeting beginning in July 2026.

REPORTS

Trustees Report

Chairman Albritton thanked Dahab for conducting the staff training on the *Review of Risk and Asset Classes*.

Trustee Waterman and Trustee Walker reported on their experience at the NCPERS conference. Many of the discussions centered on Affordable Housing initiatives, repurposing current structures to create homes, in addition to Artificial Intelligence (AI).

Mayor McGuinness reported that the City Council unanimously ratified and adopted the City's Fiscal Year 2027 Budget, along with various other administrative matters affecting City operations.

Committee Report

Ms. Xue reported that both the Personnel & Administration Committee and the Finance Committee reviewed all the reports presented to this Board at today's meeting. Both committees also reviewed the 2026 Deceased Members Report, Disability Members Report, Deferred Members Report, and the Enhanced Benefit Retro Pay to the Estate Update.

Finance Committee also reviewed Investment Distribution of the month, QuickBooks GERS account closure, Upcoming 2027 ADP service charge increase, and the Michigan Legacy Credit Union REGERS account update.

The Personnel & Administration Committee also reviewed Employee Leave Balances.

Chairman Report

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Chairman Albritton reported he and Legal Counsel Billings-Dunn participated in the Motley Rice and Wells Fargo litigation matter. The outcome was favorable, resulting in a \$100M settlement fund that will be used to provide mortgage assistance to low-income borrowers. The Court approved a \$10,000 service award in recognition of the REGERS time and effort spent on the case.

EXECUTIVE DIRECTOR REPORT:

Ms. Xue reported that the final 2025 actuarial valuation report is available for review. The 2025 GASB report has also been provided to the City Finance Director. In addition, the 2025 Audited Financial Statements is expected to be finalized by June 30, 2026. Once completed, REGERS will provide a copy of the audit report to the City.

UNFINISHED BUSINESS: NONE

NEW BUSINESS

A. Resolution to Approve 2026 GRS Experience Study Engagement Letter

RESOLUTION 26-042 By Waterman, Supported by Swazer
Resolved, That the Board approves the 2026 GRS Experience Study Engagement Letter.

Yeas: 9 – Nays: 0

B. Resolution to Approve Trustee Attendance at 2026 Attucks Annual Conference

RESOLUTION 26-043 By White, Supported by Waterman
Resolved, That the Board approves trustee attendance at 2026 Attucks Annual Conference in Chicago, IL on June 23, 2026.

Yeas: 9 – Nays: 0

LEGAL REPORT

1. Report from Legal Counsel – General Matters

Invesco Core Real Estate Fund Partnership Service Agreement

This is for Trustees' information.

Freedom of Information Requests

This is for Trustees' information.

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Request and Writ for Garnishments

This is for Trustees' information.

Litigation Matters

Security litigation matters on Masimo, Avantor, Skechers and Wells Fargo are for Trustees' information.

RE: Resolution to Approve the Restatement of the Invesco Core Real Estate Fund Partnership Service Agreement

RESOLUTION 26-044 By White, Supported by McGuinness

Resolved, That the Board approves the restatement of the Invesco Core Real Estate Fund Partnership Service Agreement.

Yeas: 9 – Nays: 0

PUBLIC COMMENT:

Linda Watson made public comments.

SCHEDULING OF NEXT MEETING/ADJOURNMENT

A. SCHEDULING OF NEXT MEETING

Regular Meeting Wednesday, June 24, 2026, at 9:00 a.m.

B. ADJOURNMENT

RESOLUTION 26-045 By Waterman, Supported by Swazer

Resolved, That the meeting of the Board of Trustees of the Pontiac Reestablished General Employees' Retirement System be adjourned AT 11:04 AM.

Yeas: 9 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the Reestablished General Employees' Retirement System held on May 27, 2026.

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

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