



500 West Big Beaver
Troy, MI 48084
troyml.gov

MINUTES

Employees' Retirement System Board Meeting

June 8th, 2022 at 12:00 PM
City Hall Council Chambers
500 West Big Beaver Troy, Michigan 48084
(248) 542-3412

Roll Call

The monthly meeting for the Employees' Retirement System Board of Trustees was held on **June 8th, 2022** in the City Council Chambers.

The meeting was called to order at 12:00 PM by Administrator Maleszyk.

Trustees Present: Robert C Maleszyk
Kurt Bovensiep
Thomas Gordon II
Theresa Brooks
Peter Dungjen

Trustees Absent: Mark F Miller
Mark Owczarzak

Also Present: Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.
Mark Woolhiser – MBC Consulting
Joe Warsecke – MBC Consulting
Ray Fortin – MissionSquare
Dee Ann Irby - Controller
Cynthia Pavella – Administrative Assistant

Public Comment

- None

Minutes from the May 11th, 2022 Meeting

Resolution # ER – 2022-06-01

Moved by: Bovensiep

Supported by: Brooks

RESOLVED, that the Minutes of the May 11th, 2022 meeting be **APPROVED**.

Yeas: - 5 – (Gordon, Bovensiep, Dungjen, Brooks, Maleszyk)

Absent: - 1 - (Miller)

Motion Passes

Retirement Requests

Name	Jeff Wallis	Douglas Drewek	Jeffry Stackpoole
Pension Program	DC	DB	DC
Retirement Date	July 1, 2022	August 13, 2022	October 21, 2021
Department	Parks – Municipal Grounds	Police	Parks -Municipal Grounds
Service Time	34 years, 0 months	25 years, 0 months	21 years, 6 months

- Administrator Maleszyk thanked all the retirees for their dedication and years of service and wished them well on their retirement.

Resolution # ER – 2022-06-02

Moved by: Dungjen

Supported by: Gordon

RESOLVED, that the retirement requests listed above be **APPROVED**.

Yeas: - 5 – (Gordon, Dungjen, Brooks, Bovensiep, Maleszyk)

Absent: - 1 - (Miller)

Motion Passes

Regular Business

- **MBC Consulting – Mark Woolhiser**
 - Mark gave a brief overview of the market noting that US Equity markets had a volatile first quarter, International equities were down 5.4%, the Federal Reserve implemented a 0.25% rate hike, and unemployment dropped to 3.6% in March.
 - He presented the Fiduciary Investment Review Reports for the 457/401A plans for quarter ending March 31st, 2022 discussing the Total Plan Asset Allocations and their scorecard.
 - He also presented the Plan Allocation by Investment Type for the 401A/457B plans. Mark noted that Small Cap Value R1 – Columbia SCV fund and the Large Cap growth R1- ClearBridge LCG fund have been on the watch list for three consecutive quarters. Therefore, his recommendation is to remove them from the portfolio.

Resolution # ER – 2022-06-03

Moved by: Gordon

Supported by: Bovensiep

RESOLVED, to sell positions held in ClearBridge LCG and purchase AB Large Cap Growth, and sell positions in Columbia SCV and purchase PIMCO RAE US Small Instl be **APPROVED**.

Yeas: - 5 – (Gordon, Dungjen, Brooks, Bovensiep, Maleszyk)

Absent: - 1 - (Miller)

Motion Passes

Ray Fortin of MissionSquare noted that change paperwork received by June 17, 2022 will be processed and effective August 12, 2022.

- **MissionSquare Retirement Investment Review – Ray Fortin**
 - Ray presented a year end review for 2022, discussing the Relationship Balance Summary, Plan Analytics, Participant Status and Cash Flows for the 401(a) and 457 plans.
 - He noted that participants withdrew \$8.4M in 2021 and \$4.7M as of April 30, 2022. He indicated that withdrawals are a result of outside advisors encouraging withdrawals and participants' lack of knowledge of the benefit of staying in the plan.
 - Ray recommends enhancing Educational Meetings and Outreach programs for employees and employees nearing retirement. He will customize marketing materials for Troy. He reviewed dates for future educational meetings and events in 2022.

Investments

- **Graystone Consulting Asset Allocation review- Tim Brice & Amy Cole**
 - Tim Brice reviewed current asset allocations comparing it to our target. He said the Board should consider return, risk, liquidity and fee structure when reviewing changes to the allocations.
 - He suggests looking at Private Equity and Private Credit "in small doses".
 - Tim noted that REITS and MLP have daily liquidity to satisfy our cash needs.
 - Tim did not make any recommendations at this time, but indicated that he will continue his review process.
 - Amy Cole discussed the 10-year historical performance. She noted that our portfolio will not lose during positive times, but adds consistency in returns when everything else is in disarray.

Other Business

- Professional Services contract – VanOverbeke, Michaud & Timmony, P.C.
 - Administrator Maleszyk recommends engaging the legal services of VanOverbeke, Michaud & Timmony (VMY) for the Employees Retirement System, Retiree Health Care (OPEB) Board and VFIP. He explained that the Pension Ordinance needs to be revised, especially the section related to Defined Contribution. In addition, each Board would have legal representation at every meeting to answer any questions that the Board may have.
 - City Attorney Griggs Bluhm has reviewed and is in support of this agreement. She will review proposed Ordinance Amendments prior to seeking the support of City Council.
 - VMT legal fees will be paid by each individual Board.
 - Administrator Maleszyk introduce Thomas Michaud, Partner at VanOverbeke, Michaud & Timmony. Mr. Michaud reviewed the Firm's qualifications and exhaustive list of Municipal Clients.

Resolution # ER – 2022-06-04

Moved by: Bovensiep

Supported by: Gordon

RESOLVED, to enter into a Legal Representation Agreement with VanOverbeke, Michaud & Timmony P.C. and refer to City Council for final approval.

Yeas: - 5 – (Gordon, Dungjen, Brooks, Bovensiep, Maleszyk)

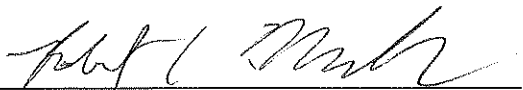
Absent: - 1 - (Miller)

Motion Passes

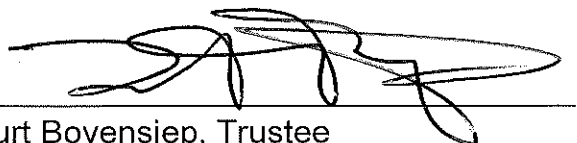
Adjourn

The meeting adjourned at 1:03 PM.

The next meeting is Wednesday, August 10th, 2022 at 12:00 PM.



Robert C Maleszyk, Administrator



Kurt Bovensiep, Trustee