

500 West Big Beaver  
Troy, MI 48084  
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# MINUTES

## Retiree Healthcare Benefits Plan & Trust Board Meeting

November 9<sup>th</sup>, 2021 at 1:00 PM

City Hall Council Chambers

500 West Big Beaver Troy, Michigan 48084

(248) 524-3306

### **Roll Call**

A meeting of the Retiree Health Care Benefits Plan and Trust Board of Trustees was held on **November 9<sup>th</sup>, 2022** in the City Council Chambers.

The meeting was called to order at 1:25 PM. by Administrator Maleszyk.

**Trustees Present:** Theresa Brooks  
Kurt Bovensiep  
John Foster  
Thomas Gordon II  
Robert C. Maleszyk  
Mark F. Miller  
Mark Owczarak

**Trustees Absent:** Peter Dungjen

**Also Present:** Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.  
Rebecca Sorensen - UBS Financial Management  
Darin McBride – UBS Financial Management  
Dee Ann Irby – Controller  
Cynthia Pavella – Administrative Assistant

### **Public Comment**

- None

### **Minutes from the August 31<sup>st</sup>, 2022 Meeting**

#### **Resolution # RHC- 2022-11-01**

Moved by: Bovensiep

Supported by: Brooks

**RESOLVED**, that the Minutes of the August 31<sup>st</sup>, 2022 meeting be **APPROVED**.

Yeas: - 6 – (Bovensiep, Foster, Gordon, Brooks, Maleszyk, Miller)

Absent: - 1 – (Dungjen)

**Motion Passes**



## **Regular Business**

- **2023 Board Meeting Schedule.**

- A proposed meeting scheduled was presented for the following Wednesdays at 1:00 pm: Feb 8<sup>th</sup>, May 10<sup>th</sup>, Aug 9<sup>th</sup>, and Nov 8<sup>th</sup>. Miller asked if meetings could be held in the Council Boardroom instead of Council Chambers where they were held previously. The Council Boardroom would provide a more collaborative meeting environment.

### **Resolution # RHC – 2022-11-02**

Moved by: Miller

Supported by: Bovensiep

**RESOLVED**, that the 2023 Retiree Healthcare Benefits Plan & Trust Board Meeting dates shown above and to be held in the City Council Boardroom be **APPROVED**.

Yeas: - 6 – (Bovensiep, Foster, Gordon, Brooks, Maleszyk, Miller)

Absent:- 1 – (Dungjen)

### **Motion Passes**

- **Proposed Budget.**

- Controller Irby and Administrator Maleszyk presented the FY 23 budget, which included prior year actuals for 2021 and 2022. They noted that the budget was prepared with estimates for investment income and retiree healthcare payments, since it is difficult to predict the financial market and future costs of healthcare.
  - Revenue totals \$3,333,000 compared to prior year (\$15,347,750.63)
    - Estimates of Income (interest, dividend, and investment income) total (\$1,100,000) compared to prior year (\$19,406,950.61)
    - Estimates of Contributions total \$4,433,000 compared to prior year \$4,059,199.98.
  - Expenses total \$6,944,388.56 compared to prior year \$6,554,835.94.
    - Expenses comprised of Professional Services, Consultant Services, and Retirement Allowances, Education & Training, and Other.
    - Education & Training expense was budgeted for the first time.
  - Retiree Medical Benefits Net Gain (Loss) is (\$3,611,388.56) compared to prior year (\$21,902,586.57).

### **Resolution # RHC – 2022-11-03**

Moved by: Miller

Supported by: Gordon



**RESOLVED**, that the July 1, 2022 – June 30, 2023 budget for Retiree Healthcare Benefits Plan & Trust be **APPROVED**.

Yeas: - 6 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller)

Absent: - 1 – (Dungjen)

**Motion Passes**

- **Retiree Healthcare Benefits Plan & Trust Review**

Attorney Michaud noted that his review of the Trust document is underway and he will have comments at the February 2023 meeting.

**Investments**

- **UBS Financial Services – Rebecca Sorensen and Darin McBride**

- Sources of portfolio value as of September 30, 2022 shows net time-weighted ROR at (7.62%) MTD, (4.35%) QTD and (22.81%) YTD.
- Asset Allocation Review as of September 30, 2022 shows 27.31% in Fixed Income and 71.84% in Equity.
- 3<sup>rd</sup> Quarter 2022 discussion was focused on the increase in interest rates and the risk of a world-wide recession. Sorensen believes that Emerging Market Fixed Income and High Yield Fixed Income are investment categories that may be more adversely affected than others in the months and year ahead.
- McBride recommends investing the proceeds in Large Cap Value stocks, specifically with manager MFS Large Cap Value.
- To meet the \$2,000,000 year-end distribution request, Sorensen recommends raising funds by liquidating TCW Emerging Market Fixed Income Fund, approximate value of \$600,000, and raise balance of funds, approximately \$1.4 million, from Blackrock Strategic Income Fund. Blackrock holds an approximate 30% allocation to high Yield at this time.

**Resolution # RHC – 2022-11-04**

Moved by: Bovensiep

Supported by: Miller

**RESOLVED**, to rebalance the portfolio by liquidating TCW Emerging Market Fixed Income Fund and raise balance of funds needed from Blackrock Strategic Income Fund to meet the \$2,000,000 year-end distribution request.

Yeas: - 6 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller)

Absent: - 1 – (Dungjen)

**Motion Passes**



## Other Business

- **Term Expiration.** Controller Irby advised the board that terms will be ending 12/31/2022 for non-voting retiree member Mark Owczarzak and employee representative Thomas J. Gordon II. She said employees and retirees who are interested in serving on the Board should contact the City Clerk.
- **Professional Service and Actuarial Fees for the City of Troy Retiree Healthcare Benefits Plan & Trust.**
  - Controller Irby presented an offer to renew the Agreement with Gabriel, Roeder, Smith & Company (GRS) for the year beginning January 1, 2023.
  - The current Retainer Fee to prepare actuarial valuations and associated consulting is \$20,650. The proposal increases fees to \$21,250.
  - The cost to prepare Governmental Accounting Standards Board (GASB) Statements is increasing from \$7,550 to \$7,700.
  - Maleszyk said there is more work involved to create audit reports.

### **Resolution # RHC – 2022-11-05**

Moved by: Foster

Supported by: Brooks

**RESOLVED**, to renew the Services and Actuarial Fees charged by Gabriel, Roeder, Smith & Company (GRS) for the year beginning January 1, 2023 be **APPROVED**.

Yeas: - 6 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller)

Absent: - 1 – (Dungjen)

### **Motion Passes**


- **Joint Meeting.** Owczarzak inquired about scheduling a joint meeting in December with ERS and VFIP Boards as has been held in the past. No affirmative action was taken.

## **Adjourn**

The meeting was adjourned at 1:36 PM.

The next meeting is Wednesday, February 8<sup>th</sup>, 2023 at 1:00 am in the Council Boardroom.

  
Robert C. Maleszyk, Administrator

  
Mark F. Miller, Trustee

