



500 West Big Beaver  
Troy, MI 48084  
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# MINUTES

## Employees' Retirement System Board Meeting

December 14<sup>th</sup>, 2022 at 12:00 PM

City Hall Council Chambers

500 West Big Beaver Troy, Michigan 48084

(248) 524-3412

### Roll Call

The monthly meeting for the Employees' Retirement System Board of Trustees was held on **December 14<sup>th</sup>, 2022** in the City Council Chambers.

The meeting was called to order at 12:01 PM by Administrator Maleszyk.

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

**Trustees Absent:** None

**Also Present:** Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.  
Joe Warsecke – MBC Consulting  
Mark Woolhiser – MBC Consulting  
Tyler Neenan – BlackRock  
Jessica Johanson - BlackRock  
Dee Ann Irby - Controller  
Cynthia Pavella – Administrative Assistant

### Public Comment

- None

### Minutes from the November 9<sup>th</sup>, 2022 Meeting

#### Resolution # ER – 2022-12-01

Moved by: Dungjen

Supported by: Foster

**RESOLVED**, that the Minutes of the November 9<sup>th</sup>, 2022 meeting be **APPROVED**.



Yeas: - 7 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller, Dungjen)

Absent: - 0 –

**Motion Passes**

### **Retirement Requests**

<b>Name</b>	Thomas G Grashik	Joseph N Haddad	Charles J Roberts III
<b>Pension Program</b>	<i>DB</i>	<i>DB</i>	<i>DC</i>
<b>Retirement Date</b>	February 2, 2023	January 13, 2023	February 1, 2023
<b>Department</b>	Streets- Maintenance	Police - Command	Fire- Staff Lieutenant
<b>Service Time</b>	28 Years 1 Month	25 Years 3 Months	15 Years 1 Month

  

<b>Name</b>	Judith M Wargo		
<b>Pension Program</b>	<i>DC</i>		
<b>Retirement Date</b>	January 21, 2023		
<b>Department</b>	Police-Service Aide		
<b>Service Time</b>	21 Years 3 Months		

### **Resolution # ER – 2022-12-02**

Moved by: Bovensiep

Supported by: Dungjen

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

Yeas: - 7 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller, Dungjen)

Absent: - 0 –

**Motion Passes**

### **Regular Business**

- **Code of Conduct/Education/Travel/Due Diligence Policy – Draft #2**

- Controller Irby noted that the draft policy has one change as a result of discussions at the September Board meeting. The meal reimbursement will be the same dollar amount as the City's travel policy.
- Attorney Michaud reminded the Board that the Pension System is independent of the City, however for ease of administration the change makes sense.

### **Resolution # ER – 2022-12-03**

Moved by: Miller

Supported by: Dungjen

**RESOLVED**, that the Code of Conduct/Education/Travel/Due Diligence Policy Resolution, draft #2, be adopted.



Yeas: - 7 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller, Dungjen)

Absent:- 0 –

### **Motion Passes**

- **Pension Ordinance Review Update**

- Attorney Michaud indicated that he is in the midst of his review of the Pension Ordinance; both Defined Benefit (DB) and Defined Contribution (DC) plans. He noted that the DC language is very light and some provisions do not apply.
- The membership section calls for two DB employee representatives. Since the active membership is shifting from DB to DC, Michaud suggests revisiting this language. He said it may be challenging in the future to find Trustees.
- Normal Retirement Age for DC participants, according to the 401a Trust Agreement, is 65. He noted that the Board may want to consider changing the age to 60. He said this would allow DC employees to take advantage of expanded IRS limitations with regard to employee contributions.
- Irby will provide Michaud with MissionSquare 401 Plan Documents and Collective Bargaining Agreements.
- In February, Michaud will recommend Ordinance modifications and incorporate changes by reference.

### **Investments**

- **MBC Consulting – Mark Woolhiser**

- Woolhiser reviewed the Scorecards and Asset Allocation Strategies for the third quarter. He identified MissionSquare's Retirement Income Advantage Fund R5 as being on their watch list.
- Returns Analysis with performance as of September 30, 2022 was distributed at the meeting and discussion surrounded expense ratio.
- Next year he would like to add PIMCO's Collective Investment Trust (CIT) to the portfolio; it will save expenses for participants.
- Woolhiser introduced BlackRock representatives Tyler Neenan and Jessica Johanson.
- **BlackRock- Tyler Neenan**
  - Neenan stated that there is a lot to get excited about; inflation is going down and the unemployment rate of 3.7% is less than the Fed's expectation of 4-5%.
  - He expects the Fed's next rate increase to be 50 basis points
  - BlackRock is more tactical than Vanguard; they attempt to maximize returns without taking on more risk.



## **Other Business**

- **Trustee reappointments**

- Thomas Gordon was the only candidate to file for the Trustee position to represent employees on the Board. Therefore, his reappointment was affirmed by the City Clerk, with an expiration date of December 31, 2025.
- Retiree representative Mark Owczarak was reappointed by City Council at their December 2, 2022 meeting. Mr. Owczarak's term expires on December 31, 2025.
- Board Members congratulated Gordon and Owczarak on their reappointment.

- **MissionSquare 2023 Educational Plan**

- Controller Irby reviewed the monthly educational plan drafted by MissionSquare. She noted that the individualized meetings have been well attended.
- Bovensiep discussed the mandatory training session held in his Department on December 1<sup>st</sup>. He said it was a great meeting and plans to host it on an annual basis.
- Maleszyk said he would like to schedule a similar training session for employees of City Hall.
- Irby noted that many employees are taking advantage of the new opportunity to save their special payout of unused vacation. This has resulted in some employees becoming first time members in MissionSquare.

- **Designation of Chairman and Vice Chairman**

- Controller Irby noted that Section 3.6 of the Retirement Ordinance calls for the Board of Trustees to designate a Chairman and Vice Chairman

### **Resolution # ER – 2022-12-04**

Moved by: Gordon

Supported by: Bovensiep

**RESOLVED** to designate Chief Financial Officer Robert C. Maleszyk as Chairman be **APPROVED**.

Yeas: - 7 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller, Dungjen)

Absent: - 0 –

**Motion Passes**

### **Resolution # ER – 2022-12-05**

Moved by: Foster

Supported by: Maleszyk

**RESOLVED**, to designate Trustee Thomas J. Gordon II as Vice Chairman be **APPROVED**.





Yeas: - 7 – (Bovensiep, Brooks, Foster, Gordon, Maleszyk, Miller, Dungjen)

Absent: - 0 -

**Motion Passes**

**Adjourn**

The meeting adjourned at 1:25 PM.

The next meeting is Wednesday, February 8<sup>th</sup>, 2023 at 12:00 PM.



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Robert C. Maleszyk, Chairman



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Thomas J. Gordon II, Vice Chairman

