



500 West Big Beaver  
Troy, MI 48084  
troy.mi.gov

# MINUTES

## Retiree Healthcare Benefits Plan & Trust Board Meeting

May 10<sup>th</sup>, 2023 at 1:00 PM  
Council Boardroom  
500 West Big Beaver Troy, Michigan 48084  
(248) 524-3412

### Roll Call

A meeting of the Retiree Health Care Benefits Plan and Trust Board of Trustees was held on **May 10<sup>th</sup>, 2023** in the City Council Boardroom.

The meeting was called to order at 1:19 PM. by Chairman Maleszyk.

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

**Trustees Absent:** Thomas Gordon II

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

### Public Comment

- None

### Minutes from the February 8<sup>th</sup>, 2023 Meeting

#### Resolution # RHC- 2023-05-01

Moved by: Dungjen  
Supported by: Bovensiep

**RESOLVED**, that the Minutes of the February 8<sup>th</sup>, 2023 meeting be **APPROVED**.

Yeas: - 6 – (Bovensiep, Brooks, Dungjen, Foster, Maleszyk, Miller)  
Absent: - 1 – (Gordon)

### **Motion Passes**

## Regular Business

- Retiree Healthcare Benefits Plan & Trust Review.
  - Attorney Michaud stated that he is still working on RHC Plan review and will be prepared for discussion at the August meeting.
- Timeline to fill Board vacancy created by retirement of Thomas Gordon.

### Resolution # RHC- 2023-05-02

Moved by: Miller

Supported by: Owczarzak

**RESOLVED**, to designate Trustee Kurt Bovensiep as Vice Chairman be **APPROVED**.

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

Absent: - 1 – (Gordon)

#### **Motion Passes**

- \$3 million transfer to General Fund to cover health care costs.
  - Maleszyk reported on the actuarial review of the Retiree Health Care Plan. The Plan was 70% funded two years ago. At that time the City's contributions were lowered to three to four million dollars; however, expenses are \$6 million. The objective of the plan is being fulfilled which is to provide health benefits to retirees and eligible dependents.
  - UBS offers a suggestion for May 2023 cash flow distribution of the Healthcare Trust. An amount ranging from \$2,000,000 to \$3,000,000 be withdrawn equally from Small and Mid-Cap Value (MFS New Discovery Value and John Hancock Disciplined Mid Cap Value) and the S&P 500 ETF. UBS is using the withdrawal as a form of rebalancing the US equities.

### Resolution # RHC – 2023-05-03

Moved by: Foster

Supported by: Dungjen

**RESOLVED**, that \$3 Million be withdrawn and disbursed from Small and Mid-Cap Value (MFS New Discovery Value and John Hancock Disciplined Mid Cap Value) and from S&P 500 ETF and paid to the General Fund be **APPROVED**.

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

Absent: - 1 – (Gordon)

#### **Motion Passes**

- UBS also recommends liquidating the TIPS Bond Portfolio valued at approximately \$3,400,000. Sorensen suggests adding \$2,000,000 to the Loomis Fixed Income portfolio and \$1,400,000 to the FCI Fixed Income Portfolio. The two

portfolios complement each other well and this change will bring them to an approximate equal weighting.

**Resolution # ER – 2023-05-04**

Moved by: Foster

Supported by: Dungjen

**RESOLVED**, that liquidation of \$3.4 Million TIPS Bond Portfolio be added to the Loomis Fixed Income Portfolio in the amount of \$2,000,000 and to the FCI Fixed Income Portfolio in the amount of \$1,400,000 be **APPROVED**.

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

Absent: - 1– (Gordon)

**Motion Passes**

**Investments**

• **UBS Financial Services – Rebecca Sorensen**

- Sorensen presented the Sources of Portfolio Value report as of March 31, 2023 for Net Time-weighted ROR were: MTD 1.86 and YTD 5.76. The report as of April 30, 2023 shows MTD 0.67 and YTD 6.49.
- Sorensen presented the Asset Allocation Review report as of March 31, 2023 which shows Total Portfolio of \$109,840,044.68. Cash is 0.53% of the portfolio, while Fixed Income is 23.64%, and Equity at 75.83%. The report as of April 30, 2023 shows Total Portfolio of \$110,602,100.49 comprised of Cash is 0.57% of the portfolio while Fixed Income is 23.60%, and Equity at 75.83%.

**Other Business**

- In August, we expect GRS to present the Actuarial report.
- Bovensiep stated that language needs to be tightened up in administrative memos, the Defined Contribution plan and the Retiree Health Care documents along with language describing the term “retirement” in the Ordinance. Questions keep coming up as to how to interpret the provisions especially as the ordinance refers to Collective Bargaining Agreements (CBA). Miller stated the past practice has varied from what language says, arbitration awards, etc. over the past 25 years when the Ordinance was implemented.

**Adjourn**

The meeting was adjourned at 1:27 PM.

The next meeting is Wednesday, August 9<sup>th</sup>, 2023 at 1:00 pm in the Council Boardroom.



Robert C. Maleszyk, Chairman



Kurt Bovensiep, Vice Chair