



500 West Big Beaver
Troy, MI 48084
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MINUTES

Retiree Healthcare Benefits Plan & Trust Board Meeting

May 8th, 2024 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 8th, 2024** in the City Council Boardroom.

The meeting was called to order at 1:12 PM. by Chairman Maleszyk.

Trustees Present: Kurt Bovensiep
Peter Dungjen
John Foster
Robert C. Maleszyk

Trustees Absent: Theresa Brooks
Mark Owczarzak

Also Present: Thomas Michaud – VanOverbeke, Michaud & Timmony P.C.
Darrin McBride - UBS Financial Management
Grant Juth – UBS Financial Management
Dee Ann Irby – Controller

Public Comment

- None

Minutes from the February 14th, 2024 Meeting

Resolution # RHC- 2024-05-01

Moved by: Bovensiep

Supported by: Dungjen

RESOLVED, that the Minutes of the February 14th, 2024 meeting be **APPROVED**.

Yeas: - 4 – (Bovensiep, Dungjen, Foster, Maleszyk)

Absent: - 1 – (Brooks)

Motion Passes

Regular Business

- **Proposed Budget 2024-2025**

- Controller Irby and Chairman Maleszyk presented an overview of the Proposed Budget for fiscal year ending 6/30/2025.
- They noted that the budget was prepared with estimates for investment income and retiree health benefit payments, since it is difficult to predict the financial market and healthcare needs.
- For the 2024-2025 Proposed Budget, the Net Gain is \$13,915,010.
 - This compares to Prior Year Net Gain estimate of \$15,197,510.

Resolution # RHC – 2024-05-02

Moved by: Foster

Supported by: Bovensiep

RESOLVED, that the July 1, 2024 – June 30, 2025 budget for Retiree Healthcare Trust be **APPROVED**.

Yeas: - 4 – (Bovensiep, Dungjen, Foster, Maleszyk)

Absent: - 1– (Brooks)

Motion Passes

- **\$2 million transfer to General Fund to cover health care costs.**

- Maleszyk reported on the cost of retiree healthcare. At this time the City is seeking reimbursement of two million dollars. 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 2024 cash flow distribution of the Healthcare Trust, in the amount of \$2,000,000 and replace MFS Mid Cap with Hermes MDT.
- The withdrawal and proposed replacement creates an opportunity to rebalance Large, Mid and Small Cap to equal weight between core, value and growth.

Resolution # RHC – 2024-05-03

Moved by: Bovensiep

Supported by: Dungjen

RESOLVED, that the portfolio be rebalanced in the amount of \$2,000,000 with a withdrawal and distribution of \$1,275,000 from US Large Cap, \$500,000 from US Mid-Cap and \$250,000 from Small Cap Equity Investments whereby the \$2,000,000 be deposited the City's General Fund; further to authorize the replacement of MFS Mid Cap Growth Mutual Fund with Federated Hermes MDT Mid Cap Growth Mutual Fund be **APPROVED**

Yeas: - 4 – (Bovensiep, Dungjen, Foster, Maleszyk)

Absent: - 1– (Brooks)

Motion Passes

- **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.
- **Payment of Legal Fees – Vanoverbeke, Michaud, Timmony**
 - The Board received an invoice for services rendered for the period of July 1, 2023 to December 31, 2023.

Resolution # RHC – 2024-05-04

Moved by: Dungjen

Supported by: Bovensiep

RESOLVED, that the Legal Fees for VanOverbeke, Michaud, &Timmony P.C. be **APPROVED** as presented.

Yeas: - 4 – (Bovensiep, Dungjen, Foster, Maleszyk)

Absent: - 1– (Brooks)

Motion Passes

Investments

- **UBS Financial Services – Rebecca Sorensen**

McBride presented the Sources of Portfolio Value report as of March 31, 2024. Market returns for the past 1.5 years have been above expectations. He stated that the long-term equity outlook remains good. Earnings are expected to do well as we move through the remainder of the year. Second quarter earnings are expected to be up approximately 9%, and total year earning's growth is anticipated to increase by approximately 10%.

Adjourn

The meeting was adjourned at 1:20 PM.

The next meeting is Wednesday, August 14th, 2024 at 1:00 pm in the Council Boardroom.



Robert C. Maleszyk, Chairman



Kurt Bovensiep, Vice Chair