



Rochester Hills

Minutes - Draft

Board of Trustees to the Retiree Health Care Trust

Don Cline, Jr., Ryan Deel, Joe Snyder, Kenneth Wissbrun

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Monday, May 6, 2024

5:00 PM

1000 Rochester Hills Drive

CALL TO ORDER

Meeting called to order by Mr. Snyder at 5:00 pm

ROLL CALL

Board Members Present: Ryan Deel, Don Cline, Ken Wissbrun, Joe Snyder (CFO)

Staff Members Present: Michael McLaughlin (Accounting Manager)

Other Members Present (Virtual): Danielle Ciolino / Lauterbach & Amen = City Actuarial Service Provider

APPROVAL OF MINUTES

2024-0230 Approval of Meeting Minutes - May 8, 2023

Resolved, that the Board of Trustees to the Retiree Health Care Trust hereby approves the Meeting Minutes from May 8, 2023 Board of Trustees to the Retiree Health Care Trust Meeting as presented.

NEW BUSINESS

2024-0231 Election Chairperson

Resolved, that the Retiree Health Care Trust Board of Trustees hereby appoints Mr. Cline as Chairperson for a one-year period covering 2024-2025.

2024-0232 Election Vice Chairperson

Resolved, that the Retiree Health Care Trust Board of Trustees hereby appoints Mr. Wissbrun as Vice Chairperson for a one-year period covering

2024-0233 Presentation of 2023 City of Rochester Hills Postretirement Health Plan

- *Ms. Ciolino presented highlights on the City of Rochester Hills Governmental Accounting Stands Board (GASB) 74/75 Report for Fiscal Year ending on December 31, 2023.*
- *Ms. Ciolino stated that the Total Other Post Employment Benefit (OPEB) Liability for the City's Defined Benefit plan as of December 31, 2023 was \$1,984,003.*
- *Ms. Ciolino stated the City's Total OPEB Plan Net Position as of December 31, 2023 was \$2,117,953, which resulted in a Net OPEB difference of (\$133,950) in liability, or 106.75% funded.*

2024-0234 Review of Investment Performance and Asset Allocation

- *Mr. Snyder presented the Retiree Health Savings Trust Statement as of March 31, 2024 to the Board.*
- *Mr. Snyder commented that the Retiree Health Savings Trust balance is \$2,147,905 as of March 31, 2024, the Trust has earned a 3.91% rate of return over the past quarter, and over the past 12-months the Trust has earned a 12.74% rate of return.*
- *Mr. Snyder stated that since 2019, the Trust has been maintained at a ratio of roughly 50% equity (or stock) investments and 50% fixed investments. To maintain this ratio the City allocates the Trust funds between three (3) separate mutual funds with differing fixed Asset Allocation strategies. Funds include a Conservative Growth Fund with a 40/60 mix of stocks/bonds, a Moderate Growth Fund with a 60/40 mix of stocks/bonds, and a Growth Fund with an 80/20 mix of stocks/bonds.*
- *Discussion ensued by the Board and it was decided that a 55/45 split between equity and fixed investments was still an appropriate investment mix at this time.*

2024-0235 Review of Retiree Health Care Trust Fund Budget

Resolved, that the Retiree Health Care Trust Board of Trustees hereby approves the 2025-2027 Retiree Health Care Trust Fund Budget in the amount of \$234,790.

- *Mr. Snyder presented the FY 2025-2027 Retiree Health Care Trust Fund Budget before the Retiree Health Care Trust Board.*
- *A total of \$125,430 is proposed to be drawn from the Retiree Health Care Trust Fund Balance with interest earnings based on 5%.*
- *With the Trust now being over 100% funded, it is proposed that City Funds (General Fund, Fire Fund, and Water & Sewer Fund) collectively contribute \$7,800 per year moving forward, which is 83% less than previous years of \$47,520.*
- *Total proposed expenditures of \$234,730 expenditures is 1.8% more than last year, primarily due to Professional Services which is anticipated to increase every-odd year when the Full Actuarial Report is due.*
- *Motion by Mr. Deel to approve the fiscal year 2025 Retiree Health Care Trust fund budget in the amount of \$234,730 as proposed in the packet, second by Mr. Wissbrun*

- *Approved 4-0*

ANY OTHER BUSINESS

No other business to discuss

NEXT MEETING DATE

To be determined, but targeting May 12, 2025 around the time the FY 2024 Audit is presented to City Council

ADJOURNMENT

Meeting Adjourned at 5:36pm

- *Motion by Mr. Cline to Adjourn, seconded by Mr. Wissbrun*