A meeting of the Retiree Health Care Benefits Plan & Trust Board of Trustees was held on Wednesday, December 11, 2013, at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 4:13 p.m.

Trustees Present: Mark Calice
William R. Need (Ex-Officio)
Thomas Darling, CPA
Dave Henderson
Steve Pallotta

Trustees Absent: Brian Kischnick
Thomas J. Gordon, II

Also Present: Brenda Carter

Minutes

Resolution # ER – 2013-12-12
Moved by Pallotta
Seconded by Darling

RESOLVED, The Minutes of the November 13, 2013 meeting be approved.

Yeas: All- 5
Absent: Kischnick, Gordon

Investments

The System Administrator reviewed excerpts from 6/30/2013 audited financial statements.

Becky Sorenson and Darren McBride of UBS presented a snapshot of Troy's investments as of September 30, 2013. They indicated that the Retiree Health Care Benefits Plan & Trust was using the same investment policy as the Employee Retirement System. The Board stated that the Retiree Health Care Benefits Plan & Trust should have its own policy. The Board discussed the current investments and shared concerns about increased premiums. Sorenson is to put a policy together and send it to the System Administrator.

OTHER BUSINESS – UBS AGREEMENT FOR INVESTMENT CONSULTING SERVICES

The Board reviewed of UBS Agreement Letter with a caveat. UBS had concerns about cross-trading and want item 10 struck from the agreement. UBS also noted they would provide invoices to the Board (item #5).

Resolution # ER – 2013-12-13
Moved by Pallotta
Seconded by Stansbury

RESOLVED, The Board directs the System Administrator to enter into contract with UBS Financial Services to provide investment consulting for the City of Troy Retiree Healthcare Benefit Plan & Trust contingent upon UBS Financial Services agreement to

1. Sign the Letter of Agreement as prepared by the System Attorney.
2. Change UBS Agreement section 10 paragraph 2 to read "under the laws of Michigan".
3. Remove paragraph 12 (Arbitration).

Yeas: All- 5
Absent: Kischnick, Gordon

OTHER BUSINESS – TRANSFER OF WADDELL & REED PORTFOLIO

Resolution # ER – 2013-12-14
Moved by Pallotta
Seconded by Stansbury

RESOLVED, The Board directs the System Administrator to transfer all positions in the portfolio of Waddell & Reed into UBS custodial account?

Yeas: All- 5
Absent: Kischnick, Gordon

OTHER BUSINESS – CHANGE OF MEETING DATE

Resolution # ER – 2013-12-15
Moved by Pallotta
Seconded by Stansbury

RESOLVED, The Board directs the System Administrator to change meeting date from Wednesday January 8, 2014 at 12:00 p.m. to Wednesday January 15, 2014 at 12:00 p.m.

Yeas: All- 5
Absent: Kischnick, Gordon

OTHER BUSINESS – MUNICIPAL BONDS

Resolution # ER – 2013-12-16
Moved by Stansbury
Seconded by Pallotta

RESOLVED, The Board directs the System Administrator to dissolve three bonds (Waddle & Reed, Waddle & Reed Municipal Bond Fund, and IV1 Bond Fund for the total cost of five (5) million dollars.

Yeas: All- 5
Absent: Kischnick, Gordon

Public Comment

None

The next meeting is February 12, 2014 at 1:30 p.m. at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 5:17 p.m.

Mark Calice, Chairman

Thomas Darling, Administrator