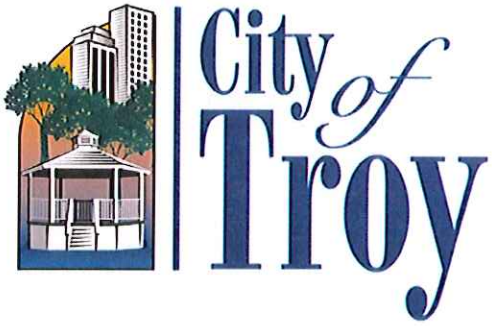

Minutes

Retiree Healthcare Benefits Plan
& Trust
Board Meeting

February 11, 2015 at 1:30 PM
City Council Board Room

Troy City Hall
500 West Big Beaver
Troy, Michigan 48084
(248) 524-3330

A meeting of the Retiree Healthcare Benefit & Trust Board of Trustees was held on **February 11, 2015** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 2:47 p.m.

Trustees Present:
Mark Calice
Thomas Darling, CPA
Steve Pallotta
Thomas J. Gordon, II
Milton Stansbury

Trustees Absent:
William R. Need (Ex-Officio)
Dave Henderson
Brian Kischnick

Also Present:
Kathy Kostopoulos

Minutes:

Resolution # ER – 2015-02-01

Moved by: Pallotta
Seconded by: Stansbury

RESOLVED, The Minutes of the November 12, 2014 meeting be approved.
Yeas: 5
Absent: 2

Regular Business:

- Gabriel Roeder Smith & Company (GRS) - Actuarial Valuation Other Post-Employment Benefits for the City of Troy

The System Administrator added the above item to the agenda and provided an engagement letter on the scope of services, work plan and fee of $18,600 for the continued use of GRS for the City of Troy Other Post Employment Benefits Plan as of December 31, 2014. This is a 2.7% increase from the 2012 valuation of $18,100. GRS will use the same actuarial assumptions as the prior valuation including a 6.5% return on investments and incorporate the most current up to date mortality table available for Government Entities.

Resolution # ER – 2015-02-02

Moved by: Pallotta
Seconded by: Gordon

RESOLVED, The Engagement Letter be accepted by GRS for the Actuarial Valuation of Other Post-Employment Benefits for City of Troy as of December 31, 2014.
Yeas: 5
Absent: 2

Investments:

- UBS Financial Services Presentation
  - Investment Review
    - Retiree Health Care Benefits Plan and Trust Portfolio Review February 2015

UBS reviewed the Portfolio Management Report. Mr. McBride reviewed pages 3 & 4, illustrating the Time Weighted Rates of Return, April 30, 2014 thru December 31, 2014. Total Portfolio figures: 3.25% latest quarter; 4.99% since inception. Comparison also shown with 70% S&P 500/30%BGC; 4.06% latest quarter; 8.58% since inception and 70% MSCI Wld/30%BGC; 1.38% latest quarter; 3.06% since inception.

Asset allocation as of December 31, 2014 was discussed and reviewed pages 9 – 11. Illustrating overall equities of 75%. Ms. Sorensen felt that the current allocation mix is at a desired comfort level and recommends retaining as is with no changes.

Asset allocation as of January 31, 2015 was also reviewed on page 2. Chairman Calice questioned Mr. McBride regarding a more aggressive approach using less Large Cap and perhaps using Mid Cap equities. In addition, Mr. Pallotta asked about the international allocations. Mr. McBride felt the current allocation is sufficient for this fund and did not recommend more or changes.

Chairman Calice questioned Ms. Sorensen as to how often money is received for investing in the fund and approximately what the current funding level is. The system Administrator responded that funding form the City typically takes place at the beginning of the calendar year and the system is 59% funded as of 12/31/2012 (last valuation).

Other Business:

None

Public Comment:

None

The next meeting is Wednesday, May 13, 2015 at 1:30 p.m. at Troy City Hall, Council Board Conference Room, 500 W Big Beaver Rd, Troy, MI 48084.

The meeting adjourned at 3:07p.m.

Mark Calice, Chairman

Thomas Gordon, Vice Chairman

Thomas Darling, Pension Administrator