

Minutes

**Retiree Healthcare Benefits Plan
& Trust
Board Meeting**

**August 12, 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 **August 12, 2015** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 2:01 p.m.

Trustees Present:

Mark Calice
Thomas Darling, CPA
Brian Kischnick
Dave Henderson
Milton Stansbury

Trustees Absent:

Steve Pallotta
William R. Need (Ex-Officio)
Thomas J. Gordon, II

Also Present:

Kathy Kostopoulos

Minutes:

Resolution # ER – 2015-08-04

Moved by: Henderson

Seconded by: Stansbury

RESOLVED, the Minutes of the May 13, 2015 meeting be approved.

Yeas: 5

Absent: 2

Investments:

UBS Financial Services Presentation Investment Review Retiree Health Care Benefits Plan and Trust Portfolio Review - June 2015 presented by Ms. Sorensen and Mr. McBride. Ms. Sorensen stated The Health Care Trust currently holds a 2.84% exposure to Emerging Markets through UBS. The combined exposure to Greece, Puerto Rico, and China in these three areas through the Retiree Health Care Trust is approximately 1%. Illustrated was The Time Weighted Rates of Return for April 30, 2014 through June 30, 2015 (pg. 9/75 pdf) Indexes' reviewed; Total Portfolio; Latest Quarter -0.26, Calendar YTD 2.58, One Year 4.35, Since Inception 6.56 vs. 70% S&P 500/30%BGC; Latest Quarter -0.40, Calendar YTD 0.87, One Year 5.88, Since Inception 8.12 and 70% MSCI Wld/30%BGC; Latest Quarter -0.26, Calendar YTD 2.05, One Year 2.04, Since Inception 4.42. Overall, UBS is pleased with the performance as it is in line with the City's policy statement.

Ms. Sorensen stated as consultants it's their role to bring a new policy statement annually for review. Ms. Sorensen will forward to the System Administrator a policy to reaffirm which is consistent with the prior year's strategy and without any changes other than a new date. Chairman Calice asked if the policy goal is 6.5%. Ms. Sorensen confirmed it is, in addition with a little higher allocation to equities which what was agreed upon and now is just under 74%. Also stating that this portfolio is a little more aggressive due to interest rates being so low.

Also reviewed were account values for the period ending June 30, 2015 (pg. 11/75 pdf). The System Administrator asked for review of performance benchmark by manager and Ms. Sorensen confirmed they will bring this to the next meeting. At this time UBS states they are happy with all the current investment managers' performance.

Also reviewed, Investment Earnings March 31, 2015 through June 30, 2015 (pg. 12/75 pdf), City Manager Mr. Kischnick questioned "income growth" and asked for clarification as it is illustrated in this manner. Ms. Sorensen explained it is "value type" strategy.

Chairman Calice asked the System Administrator how we come up with what is needed for this account, and the System Administrator replied it is based on the Actuarial Valuation Report.

Chairman Calice questioned if the Actuarial Valuation Report used for the City's Healthcare plan is the same as the City's ERS. The System Administrator indicated it is not the same it's a separate report and is issued every other year. The City's healthcare plan is currently 59.1% funded and the anticipated contribution liability is expected to be quite significant, however the report has not been issued yet. The System Administrator indicated health care insurance has been going up double digits and this will be the Board of Trustees biggest challenge going forward.

Other Business:

None

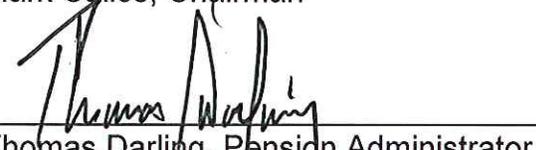
Public Comment:

None

The next meeting is Wednesday, November 11, 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 2:18 p.m.


Mark Calice, Chairman


Thomas Darling, Pension Administrator