City of Troy

Minutes

Retiree Healthcare Benefits Plan
& Trust
Board Meeting

February 10, 2016 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 10, 2016** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at: 2:10 p.m.

Trustees Present:

Mark Calice
Thomas Darling, CPA
Thomas J. Gordon, II
Dave Henderson
Steve Pallotta
Milton Stansbury

Trustees Absent:

Brian Kischnick

Also Present:

Kathy Kostopoulos
Scott Conrad

Minutes:

Resolution # ER – 2016-02-01

Moved by: Gordon
Seconded by: Henderson

RESOLVED, that the Minutes of the November 11, 2015 meeting be approved.

Yeas: - 6 -
Absent: - 1 -

Regular Business:

2016 Meeting Calendar Observed by the Chairman and Members of the Board. Discussed was that the May 11, 2016, August 10, 2016 and November 9, 2016 meetings will start at 1:00 pm.

Resolution # ER – 2016-02-02

Moved by: Stansbury
Seconded by: Henderson

RESOLVED, that the May 11, 2016, August 10, 2016 and November 9, 2016 meetings will start at 1:00 PM be approved.

Yeas: - 6 -
Absent: - 1 –

Investments:

- UBS Financial Services Presentation - Retiree Health Care Benefits Plan and Trust Portfolio Review - February 2016

Ms. Rebecca Sorensen, Mr. Darin McBride of UBS and Mr. Chris Gill financial advisor from Chicago, IL UBS, presented the City of Troy Health Care Trust Defined Benefit Plans Investment Review noting $47.5 million in assets held at January 31, 2016. This represented a net time-weighted decrease of 4.39% for the month and increase of 3.47% for the quarter and one year decrease of 0.50%. Mr. McBride discussed the investment performance of various UBS Managers and Morningstar Investment Reports with the Members of the Board. Presented and reviewed was the UBS Manager Blend vs Index Blend. Mr. Gill further discussed Global Markets with the Members of the Board.

Other Business:

None

Public Comment:

Mr. Scott Conrad from City of Troy Engineering Department, retiree and part-time employee observed the meeting and commented on the Pension Fund stating the target yield was 6.5% and wanted clarification on the Health Care Fund percentage which he thought looked more like 8%. The System Administrator clarified that the 6.5% on the Pension is the assumption used, given by the Actuaries to help value the assets and liabilities which in turn determines the level of contribution that the City has to make for the pension system. The Health Care rate utilized is our policy or guide which is provided every other year and was performed by the actuaries last year. This in turn helps guide the City's investment consultants on what platform to develop and use for investing. For example if we utilize a 7.5% rate we may make riskier investments. Indicated by UBS Ms. Sorensen the pension fund is more conservative at 6.5% due to money moving out frequently, whereas the Heath Care Fund does not. Therefore you don't need the cash flow and can invest differently. The Chairman indicated that the health care benefits are currently being paid out of the retirement system and doesn't anticipate taking money out of the Health Care Fund for at least 5 years as an estimate.

The next meeting is Wednesday, May 11, 2016 at 1:00 p.m. at Troy City Hall, Council Board Conference Room, 500 W Big Beaver Rd, Troy, MI 48084.

The meeting adjourned at 3:05 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator