



MINUTES

Retiree Healthcare Benefits Plan & Trust Board Meeting

November 14th, 2018 at 1:00 PM

City Council Board Room

Troy City Hall

500 West Big Beaver Troy, Michigan 48084

(248) 524-3330

Roll Call

A meeting of the Retiree Healthcare Benefits & Trust Board of Trustees was held on **November 14th, 2018** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 1:15 p.m.

Trustees Present: Mark Calice
Thomas Darling, CPA
Justin Novak
Mark Miller (left at 2:05)

Trustees Absent: Thomas Gordon II
Milton Stansbury
David Hamilton
Mark Owczarzak

Also Present: Rebecca Sorensen – UBS Financial Management
Darin McBride - UBS Financial Management
Drew Benson
Shazia Fatima

Minutes from the August 8th and September 12th, 2018 Meeting

Resolution # ER-2018-11-09

Moved by: Miller

Seconded by: Novak

RESOLVED, that the Minutes of the August 8th and September 12th, 2018 meetings be **APPROVED**.

Yeas: - 4 -

Absent: - 3 -

Motion Passes

Regular Business

- **2019 Board Meeting Dates**

- 1 PM on the following Wednesdays: Feb 13th, May 8th, Aug 14th, Nov 13th

Resolution # ER – 2018-11-10

Moved by: Miller

Seconded by: Darling

RESOLVED, that the 2019 Meeting Schedule be **APPROVED**.

Yeas: - 4 -

Absent: - 3 –

Motion Passes

- **Public Act 202**

- Administrator Darling reviewed the Actuarial Assumptions and reporting requirements under Public Act 202. He reviewed the letter issued by the system's Actuaries (GRS) noting that the system's current actuarial assumptions are currently in compliance with the Public Act.

- **December 31, 2018 Actuarial Valuation Engagement Letter – Gabriel, Roeder, Smith (GRS)**

- Tom Darling presented the December 31, 2018 Actuarial Valuation Engagement Letter – Gabriel, Roeder, Smith (GRS)
- He went over the proposed services and Actuarial Fees for the Retiree Healthcare Benefits Plan & Trust for the period beginning January 1, 2019 through December 31, 2019.

Resolution # ER - 2018-11-11

Moved: Darling

Seconded: Novak

RESOLVED to engage Gabriel Roeder Smith to perform RHC actuarial services through December 31, 2019 using an assumed rate of return of 6.5% and using the most current mortality tables commonly used for municipal systems be **APPROVED**.

Yeas: - 4 -

Absent: - 3 –

Motion Passes

- **Review June 30, 2018 RHC Audited Financial Statements**

- Administrator Darling reviewed excerpts of the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018 that related to the Retiree Healthcare Benefits Plan & Trust.
- He noted that the system generated \$11,365,217 of additions through

contributions and investment income and expended \$5,610,586 of deductions through benefit payments and administrative expenses resulting in a change in net position of \$5,754,631.

- Total Net Position at the end of the Fiscal Year was \$83,149,083. Of this amount, \$81,337,626 is restricted for Retiree Healthcare Trust Fund and \$1,811,457 is restricted for retiree healthcare pension system.
- Administrator Darling also noted that currently we are 59.45% funded.

Investments

- **Investment Review – UBS Financial – Darin McBride**
 - YTD Net Rate of Return for September 30th, 2018: 4.15%
- **Recommendations:**
 - Reduce AIG Focused Dividend Fund by 3.5% add to Large Cap Manager Loomis Sayles

Resolution # ER-2018-11-12

Moved by: Novak

Seconded by: Darling

RESOLVED, Reduce AIG Focused Dividend Fund by 3.5% add to Large Cap Manager Loomis Sayles be **APPROVED**.

Yeas: - 4 -

Absent: - 3 -

Motion Passes

Other Business

None

Public Comment

None

Adjourn

The meeting was adjourned at 2:05 PM.

The next meeting is Wednesday February 13th, 2019 at 1:00 p.m. at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.



Mark Miller, Trustee



Thomas Darling, Pension Administrator