

April 20, 2015
Police and Fire RHC Trust
Meeting of the Board of Trustees

Greg Trozak		Chairman
Greg Best		Vice Chairman
Al Grant		Recording-Secretary
Floyd Allen	Andy Dillon (O)	John Clark
Tom Sheehan		Shirley Berger

(A) Absent (E) Excused (L) Late (S) Sick (O) Other
(B)

The Chairman called the Board Meeting to order at 9:30 a.m.
Roll Call of Officers, Trustees: A quorum present as well as
Board legal representative A. Castle.

(O) A Dillon participation by conference phone call.

Michael Holycross and Brian Green Graystone Consulting in attendance

Move on the agenda

9:30 a.m. – 10:10 a.m. Bassett & Bassett - *Move on the agenda*

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Tina Bassett	Michelle Martinez Bassett
President	Vice President – Digital Media
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Presentation – Board reviewed sample web page, followed by questions and discussion.

10:10 a.m.

The Agenda dated April 20, 2015 was presented.

Motion - by F. Allen, seconded by G. Best to accept the Agenda.

Motion – Carried – Unanimously.

The minutes of meeting held on April 13, 2015 were presented.

Motion - by G. Best, seconded by J. Clark to accept the April 13, 2015 minutes.

Motion – Carried – Unanimously.

The Board reviewed a (DTMB) Department of Technology, Management & Budget response dated April 17, 2015 from Phil Stoddard, Director – Office of Retirement Services

Motion - by F. Allen, seconded A. Dillon

WHEREAS, the City of Detroit Police and Fire Retiree Health Care Trust (the “RHC Trust”) is established under the Plan for the Adjustment of Debts of the City of Detroit to provide health care benefits to certain retirees and their eligible dependents, and

WHEREAS, the RHC Trust was primarily funded with new “B Notes” issued by the City of Detroit in the aggregate principal amount of \$253,900,999.00, and

WHEREAS, the Board of Trustees of the RHC Trust is vested with the authority and responsibility for the management and administration of the RHC Trust, including, but not limited to managing the assets of the Trust, and

WHEREAS, in managing the assets of the RHC Trust the Board shall consider the following factors, among other circumstances: the general economic conditions, the possible effect of inflation or deflation; the role that each investment or course of action plays within the overall portfolio; the expected total return from income and the appreciation of capital; needs for liquidity, regularity of income, and preservation or appreciation of capital; and the adequacy of funding for the plan based on reasonable actuarial factors, and

WHEREAS, in accordance with the foregoing factors as well as its general fiduciary responsibilities for the management of the assets of the RHC Trust, the Board has the authority to monetize the B Notes in such amount(s) and at such time(s) as the Board determines it is prudent to do so, and

WHEREAS, the Board, with the assistance of its Investment Consultant, has evaluated the short-term cash flow needs of the RHC trust based on current asset levels, benefit levels, projected income, and membership info, and

WHEREAS, based on current circumstances the Board is aware of a projected cash flow shortfall arising on or about June 30, 2015, and

WHEREAS, the Board, with the assistance of its Investment Consultant, has evaluated several alternative options to meet its short-term cash flow needs including, but not limited to full and/or partial monetization of the B Notes, and

WHEREAS, the Board has met with representatives from Citigroup Global Markets, Inc., Municipal Securities Division ("Citigroup") regarding the partial monetization of the B Notes through a Trust Certificate Structure, and

WHEREAS, the Board is of the opinion that the Trust Certificate Structure proposed by Citigroup provides the best opportunity under the current circumstances in providing the RHC Trust with the short-term cash flow needs it requires to satisfy its benefit obligations to participants and beneficiaries, therefore be it

RESOLVED, that the Board hereby authorizes Citigroup to proceed with a search for prospective investors in the RHC Trust's B Notes under the proposed Trust Certificate Structure, and further

RESOLVED, that upon conducting the appropriate search and due diligence, Citigroup provide the Board will detailed terms regarding the trust financing structure, including, but not limited to more specific interest rate(s) at which the prospective investors would participate, and further

RESOLVED, that the Board will retain the services of external legal counsel to act as bond counsel with respect to the trust financing transaction, and further

RESOLVED, that copies of this Resolution be provided to Citigroup and all other appropriate parties.

Motion – Carried – Unanimously.

10:50 a.m. – M. Holycross & B. Green left the meeting

Chairman G. Trozak asked if there are any bills submitted to pay.

Legal Counsel supplied the Board with two documents:

1. - Overview of VEBA Funding (Police & Fire and General) Currently / Proposal
2. - “Flex Plan Direct Debit & Credit Authorization Agreement” form.

Motion - by F. Allen, seconded G. Best – Request to have Basset & Bassett, Incorporated submit a proposal to the P&F RHC Board to design and manage a Web-Site for the RHC fund.

Motion – Carried – Unanimously.

Move to scheduled call In

11:05 a.m. – 11:35 a.m. - AON representatives' participation by conference phone call.

AON Hewitt representatives Kim N and John Grosso, headquartered in Chicago, IL (Phone 1 (866) 657-8632) made a presentation to the Board to contract services. AON Hewitt can provide consulting, outsourcing and reinsurance brokerage services for RHC participants. They have a local office located at 3000 Town Center #2900 Southfield (248) 936-5400.

11:15 a.m. – F. Allen excused from meeting.

11:35 a.m. – A. Dillon excused from meeting.

Back to agenda – Bill payment

Motion - by G. Best, seconded T. Sheehan – (Per Agreement), Authorize payment to Flex-Plan Services, Inc. invoice #4296, dated 4-3-15.

Motion – Carried – Unanimously.

No formal legal report prepared for the April 20, 2015 meeting.

Old Business

None.

New Business

Board discussion regarding eligibility and list of participants, the matter will be an agenda item for the next P&F RHC Board meeting.

The next Board meeting date and time will be on Monday, April 27, 2015 at 9:30 a.m.

Motion – by J Clark, seconded G. Best to adjourn the meeting. – (12:15 p.m.)

Motion – Carried – Unanimously.

Recording-Secretary

AI Grant