



City of Rochester Hills
Board of Trustees to the Retiree
Health Care Trust
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2012-0163

TO: Board of Trustees
FROM: Keith Sawdon, Finance Director/Trustee
DATE: May 15, 2012
SUBJECT: Switch to new Investment Provider and Record Keeper

REQUEST:

We are requesting Board adoption of the attached resolution to complete the switch to our new Investment Provider and Record Keeper.

BACKGROUND:

You may recall our discussion back on June 1, 2011, where we made a presentation to the Board regarding the action the City's other retirement plans (pension, 457 and RHS) were taking with regards to combining all plans under one provider.

As discussed at that meeting, through the use of an RFP that had been submitted to our two current providers, the other retirement plan Trustees had selected one provider and were moving to consolidate. This action by them was under taken in an effort to make retirement planning easier for their participants. Those advantages included:

- One web site for our participants,
- A single quarterly statement that would include all plans,
- One set of investment options to review, study and select from,
- Easier for participants to coordinate portfolios (asset allocations) through one provider,
- Lower Management Fees. Combining assets under one provider gives that provider more assets to cover their costs,

We also discussed that the action under taken by the other plans may afford an opportunity for this Trust Plan to also enjoy lower management fees and improved investment options.

At the conclusion of that discussion the Board authorized the movement of the Trust assets from ICMA-RC to Diversified Retirement Corporation. That transition was completed on April, 1, 2012.

RECOMMENDATION:

We recommend that the Board adopt the attached resolution as the final step in concluding that transition.
