



# Rochester Hills

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## Master

**File Number: 2009-0256**

**File ID:** 2009-0256

**Type:** Finance

**Status:** Draft

**Version:** 1

**Reference:** 2009-0256

**Controlling Body:** City Council  
Regular Meeting

**File Created Date :** 06/24/2009

**File Name:** Request for approval to allow for investment of funds  
in the Retiree Health Care Benefit Trust

**Final Action:**

**Title label:** Request for approval to allow for the investment of funds, in the Retiree Health  
Care Benefit Trust, similar to those that may be held in pension funds, by  
following Public Act 314 of 1965 (public pension fund investment act) as amended

### Notes:

### Sponsors:

**Enactment Date:**

**Attachments:** Agenda Summary.pdf ,Resolution.pdf

**Enactment Number:**

**Contact:**

**Hearing Date:**

**Drafter:**

**Effective Date:**

## History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council Regular Meeting	06/29/2009					

## Text of Legislative File 2009-0256

### Title

Request for approval to allow for the investment of funds, in the Retiree Health Care Benefit Trust, similar to those that may be held in pension funds, by following Public Act 314 of 1965 (public pension fund investment act) as amended

### Body

**Whereas**, PA 149 of 1999, MCL 38.1211-38.1216, provides for the creation of a public employees health care fund to assist with prefunding retiree health care benefits; and

**Whereas**, the Act also provides for the administration of the fund, authorization of investment of the assets and prescribes the power and duties of certain public officers; and

**Whereas**, the City Council believes that it is prudent public policy to plan and finance retiree health benefits when earned so that there are sufficient resources to pay those health care benefits when employees retire; and

**Whereas**, the City Council also believes that failing to set aside adequate funds when the employee earns the retiree health benefit places an undue financial burden on future budgets.

**Be It Further Resolved**, that the City Council has established a Retiree Health Care Trust Fund for the specific purpose of accumulating funds to provide for the funding of health care benefits for retirees and beneficiaries based on eligibility criteria established by the City Council from time to time; and

**Be It Further Resolved**, the City's Director of Finance and the City Assessor/Treasurer are Co-Trustees and investment fiduciaries for the Retiree Health Care Trust Fund; and

**Be It Further Resolved**, withdrawals from this Retiree Health Care Trust Fund may be made solely for (1) the payment of health care premiums payable on behalf of qualified persons who shall be the Plan participants and beneficiaries (designated by the Plan) and (2) the payment of expenses of administration of the Retiree Health Care Trust Fund; and

**Be It Further Resolved**, the Mayor is charged with the responsibility for authorizing payment of health care premiums and administrative expenses from the Retiree Health Care Trust Fund in accordance with budgets duly adopted by the City Council; and

**Be It Further Resolved**, it is the intent of the City Council that the Retiree Health Care Trust Fund shall be established on a sound actuarial and accounting basis; and

**Be It Further Resolved**, that the investment fiduciaries shall invest the assets of the Retirement Health Care Trust Fund in accordance with Act, PA 314 of 1965, as amended, MCL 38.1133 and subject to the limitations governing the investment of assets in PA 314 of 1965, as amended, MCL 38.1132 to 38.1140; and

**Be It Further Resolved**, the investment fiduciaries shall have an actuarial review of the Retiree Health Care Trust Fund prepared at least every two years with assets valued on a market related basis; and

**Be It Further Resolved**, the investment fiduciaries shall prepare and issue an annual report for the Retiree Health Care Trust Fund to the City Council and

**Now, Therefore, Be It Resolved**, that the City Council hereby authorizes the investment of the Retiree Health Care Benefit Trust as provided by P.A. 314 of 1965, as amended.