

**CITY OF ROCHESTER HILLS RETIREE HEALTH CARE  
IMPLICIT RATE SUBSIDY TRUST**

**TERMINATION OF TRUST**

**THIS TERMINATION OF TRUST** is hereby unanimously adopted on this 19th day of August, 2014, by the Board of Trustees for the City of Rochester Hills Retiree Health Care Implicit Rate Subsidy Trust (“Trust”).

**WHEREAS**, On December 4, 2009, the City of Rochester Hills, Michigan (“City”) created the Trust, a copy of which is attached hereto as Exhibit A and made a part hereof;

**WHEREAS**, The Governmental Accounting Standards Board (GASB) through statement 43 and 45 requires employers to recognize subsidies for retiree health benefits that occur when the premium paid by retirees for retiree health care is the same as the premium for active employees;

**WHEREAS**, The Trust was established to accumulate assets to fund the Implicit Rate Subsidy for retiree health care;

**WHEREAS**, In 2014 the City’s health insurance provider was able to separate the rate group for the active employees and the retirees, thus ending the blended rate and the implicit rate subsidy;

**WHEREAS**, The Actuary for the Trust has certified in the 2014 Actuarial Valuation for the Trust, a copy of which is attached hereto as exhibit B, that as of January 1, 2014 there was no implicit rate subsidy and no related liability;

**WHEREAS**, Section 82-217(b) of the Trust provides that the Trust may be terminated at any time by the Trustees by the execution of an instrument in writing, so long as the termination is not inconsistent with any then existing ordinance and that further, it shall not be necessary for the City to execute this instrument;

**WHEREAS**, Section 82-217(d) of the Trust provides that upon termination of the Trust and satisfaction of all liabilities of the Trust, any remaining assets shall be returned to the City; and

**WHEREAS**, The Board of Trustees desire to terminate the Trust Agreement and distribute all remaining assets to the City.

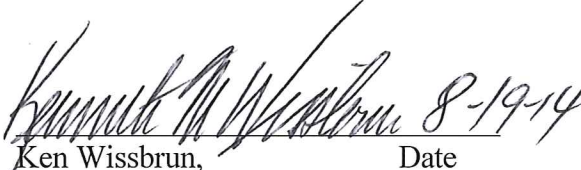
**NOW THEREFORE BE IT RESOLVED**, That as there is no longer an implicit rate subsidy the Board of Trustees, through their signatures below, hereby terminate the Trust effective immediately and that upon satisfaction of all liabilities of the Trust, all remaining assets shall be returned to the City as soon as administratively feasible;


**BE IT FURTHER RESOLVED**, That a copy of the instrument will be provided to the Mayor and City Council.

**IN WITNESS WHEREOF**, the Board of Trustees has executed this Termination of Trust as follows:

  
Keith Sawdon                      8-19-14  
Date

  
Don Cline                      9/25/14  
Date

  
Ken Wissbrun,                      8-19-14  
Date

  
Kurt Dawson                      9-4-14  
Date

  
Tom Wiggins                      9-8-2014  
Date