

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
May 17, 2016

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, May 17, 2016 at Farmington City Hall, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 9:02 a.m. by Chairman Galvin.

PRESENT: Galvin, Murphy, Weber.

ABSENT: None.

OTHERS PRESENT: Michael Holycross, MSSB Graystone Consulting; Sue Halberstadt, Recording Secretary.

MINUTES OF PREVIOUS MEETINGS

MOTION by Murphy, seconded by Weber, to approve the regular meeting minutes of February 16, 2016. MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT

Financial Report: quarter ending March 31, 2016.

MOTION by Murphy, seconded by Galvin, to accept the Treasurer's Report for quarter ending March 31, 2016 as presented. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

Summary Report – quarter ending March 31, 2016

Quarterly Report – quarter ending March 31, 2016

Fund Manager's Report: Morgan Stanley Smith Barney (MSSB), Graystone Consulting - Quarter Ending March 31, 2016

Mike Holycross of Morgan Stanley Smith Barney (MSSB) Graystone Consulting provided a report on investments through quarter ending March 31, 2016. Discussion ensued regarding markets, investment climate and factors to consider going forward.

Holycross advised the RHC portfolio had \$210,035 in cash as of March 31, 2016. He stated they have seen a cash flow of \$112,000 bringing cash levels to \$106,914 as of May 13th. He advised cash needs are taken from the bond proceeds at about \$55,000 per month. He stated the \$106,914 balance is split between the investment account of \$60,009 and bond proceeds of \$46,905 which provides one month of cash left.

Holycross recommended taking \$220,000 from the Vanguard Bond Index Fund to cover the next four months of needed cash.

MOTION by Weber, seconded by Murphy, to authorize a cash rebalance to cover premium payments and investment manager expenses for the next 4 months; raising \$220,000 in cash from the Vanguard Bond Index Fund.

MOTION by Murphy, seconded by Weber, to receive and file the MSSB Graystone Consulting report for quarter ending December 31, 2015 as presented. MOTION CARRIED UNANIMOUSLY.

OTHER BUSINESS

No other business was heard.

MISCELLANEOUS

Public Comment

No public comment was heard.

Trustee Comment

No trustee comment was heard.

ADJOURNMENT

MOTION by Murphy, seconded by Weber, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

Meeting adjourned at 9:52 a.m.

Christopher M. Weber, Secretary

APPROVED: August 16, 2016