

FINAL

CITY OF FARMINGTON RETIREE HEALTH CARE FUND

August 16, 2016

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, August 16, 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 9:05 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 Galvin, to approve the regular meeting minutes of May 17, 2016. MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT

Financial Report: quarter ending June 30, 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 June 30, 2016

Quarterly Report – quarter ending June 30, 2016

Fund Manager's Report: Morgan Stanley Smith Barney (MSSB), Graystone Consulting - Quarter Ending June 30, 2016

Mike Holycross of Morgan Stanley Smith Barney (MSSB) Graystone Consulting provided a report on investments through quarter ending June 30, 2016. Discussion ensued regarding markets, investment climate and factors to consider going forward.

Holycross stated that the portfolio is up 3.55% this quarter and up almost 10% year to date.

MOTION by Weber, seconded by Murphy, to approve the administrator's report. MOTION CARRIED UNANIMOUSLY.

REVIEW OF RECOMMENDED MANAGER ADDITIONS AND REBALANCE OF PORTFOLIO

Holycross provided information on the proposed rebalance. He recommended moving \$190,000 from fixed income to a new emerging markets portfolio. He also recommended moving \$550,000 from a passive index fund to an active manager, Cambiar International.

Responding to a question by Galvin, Holycross stated that the trade would occur next week.

Weber requested moving \$50,000 from Vanguard Bond Fund into available cash balance.

MOTION by Weber, seconded by Murphy, to approve the recommended manager additions and rebalance of portfolio. 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 Galvin, seconded by Weber, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

Meeting adjourned at 9:35 a.m.

Christopher M. Weber, Secretary

APPROVED: November 22, 2016