

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
January 9, 2012

A special meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Monday, January 9, 2012 at Farmington City Hall, Council Chambers, Conference Room A, 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 8:30 a.m. by Chairman Pastue

PRESENT: Buck, Pastue, Weber.

ABSENT: None.

OTHERS PRESENT: Administrator Cantrell, Brian Green and Mike Holycross of MSSB Graystone Consulting.

REVIEW CONTRACTS WITH MORGAN STANLEY SMITH BARNEY GRAYSTONE CONSULTING

MOTION by Buck ,seconded by Weber, to approve a contract, “Morgan Stanley Smith Barney Fiduciary services Program Client Service Agreement”, with Morgan Stanley Smith Barney and an addendum to that contract, “Addendum To The Consulting Group Advisor Program Client Service Agreement”, for consulting services by Morgan Stanley Smith Barney Graystone Consulting; contingent on approval of the contracts and any exhibits and addendums as to form and content by Michael VanOverbeke, legal counsel to the Board of Trustees; to authorize Secretary Weber and Chairman Pastue to execute these contracts with Morgan Stanley Smith Barney and to complete and sign any associated account applications on behalf of the City of Farmington Public Retiree Health Care Trust. [SEE ATTACHED AGREEMENTS] MOTION CARRIED UNANIMOUSLY.

REVIEW AND APPROVE NEW INVESTMENT POLICY

The Board reviewed the proposed Investment Policy, making revisions to same.

MOTION by Buck,seconded by Weber, to approve a new Investment Policy Statement, as proposed with revisions noted at a meeting held on January 9, 2012; approval contingent on review by Michael VanOverbeke, legal counsel to the Board of Trustees, as to any legal provisions contained therein. [SEE ATTACHED ISP] MOTION CARRIED UNANIMOUSLY.

REVIEW INVESTMENT MANAGER RECOMMENDATIONS; PROVIDE DIRECTION AND AUTHORITY TO COMPLETE INVESTMENT MANAGER SELECTION PROCESS AND TRANSFER OF ASSETS

**A RESOLUTION OF THE FARMINGTON PUBLIC RETIREE HEALTH CARE TRUST
BOARD OF TRUSTEES**

MOTION by Buck, seconded by Weber to adopt the following resolution:

WHEREAS, the Board of Trustees, at a meeting held on January 9, 2012, received detailed analysis and reporting on investment managers recommended by Morgan Stanley Smith Barney Graystone Consulting to manage the investment of Trust assets, managers eligible for selection pursuant to the fiduciary services agreement entered into with Morgan Stanley Smith Barney, and

WHEREAS, the Board of Trustees has reviewed the proposal with Michael Holycross and Brian Green of Graystone Consulting, and

WHEREAS, the Board of Trustees is satisfied that the proposal for investment of the Trust's assets meets its investment goals and objectives as outlined in its Investment Policy Statement,

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the investment managers recommended by Graystone Consulting and approves the asset allocation included in the proposal, as follows:

EQUITIES: 55.0 %

First Eagle Global	13.0 %
Federated Strategic Value	13.0 %
Cramer Rosenthal Small/Mid	8.0 %
Calamos Growth	13.0 %
Wentworth Hauser International	8.0 %

FIXED INCOME: 45.0%

Loomis Sayles Bond Fund (LSBDX)	10.0 %
Pacific Fixed Income	35.0 %

POLICY INDEX:

40% Russell 3000 Index
15 % MSCI EAFE Index
45 % BC Aggregate Bond Index

BE IT FURTHER RESOLVED that said approval is contingent on a favorable legal opinion from Michael VanOverbeke, legal counsel to the Trust as to form and content of contracts, addendums and account applications with Morgan Stanley Smith Barney Graystone Consulting, the Investment Policy Statement, and

BE IT FURTHER RESOLVED that Secretary/Treasurer Weber and Chairman Pastue be authorized to execute any and all contracts, addendums and account applications necessary to open investment and custodial accounts with Morgan Stanley Smith Barney and with their approved investment managers and to transfer Trust assets invested with Munder Capital Management to Morgan Stanley Smith Barney custody and to the approved investment managers, and

BE IT FURTHER RESOLVED that Treasurer Weber be authorized to manage the transition process with any required assistance from Administrator Cantrell.

Resolution Adopted Unanimously.

MISCELLANEOUS:

PUBLIC COMMENTS

None.

TRUSTEE COMMENTS

None.

ADJOURNMENT:

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

Meeting adjourned at 10:14 a.m.

Patsy K. Cantrell, Administrator

Christopher M. Weber, Secretary

APPROVED: March 9, 2012