

CITY OF FARMINGTON RETIREE HEALTH CARE FUND  
August 18, 2015

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, August 18, 2015 at Farmington City Hall, Council Chambers, 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 9:00 a.m. by Chairman Galvin.

**PRESENT:** Galvin, Weber.

**ABSENT:** None.

**OTHERS PRESENT:** Brian Green, MSSB Graystone Consulting; Recording Secretary Halberstadt; Mayor Pro-Tem Schneemann.

**MINUTES OF PREVIOUS MEETINGS**

MOTION by Weber, seconded by Galvin, to approve the regular meeting minutes of June 3, 2015. MOTION CARRIED UNANIMOUSLY.

**TREASURER'S REPORT**

Financial Report: Fiscal Year Ending June 30, 2015 (unaudited)

MOTION by Galvin, seconded by Weber, to accept the Treasurer's Report for fiscal year ending June 30, 2015 as presented. MOTION CARRIED UNANIMOUSLY.

**ADMINISTRATOR'S REPORT**

Summary Report: Fiscal Year Ending June 30, 2015.  
Detail Report – Fiscal Year Ending June 30, 2015.

MOTION by Galvin, seconded by Weber, to accept the Summary Report for fiscal year ending June 30, 2015 as presented. MOTION CARRIED UNANIMOUSLY.

MOTION by Galvin, seconded by Weber, to accept the Detail Report for fiscal year ending June 30, 2015 as presented. MOTION CARRIED UNANIMOUSLY.

**Fund Manager's Report**

Fund Manager's Report: Morgan Stanley Smith Barney Graystone Consulting Group, Fiscal Year Ending June 30, 2015.

Brian Green of Morgan Stanley Smith Barney (MSSB) Graystone Consulting provided a report on investments through quarter ending June 30, 2015. Discussion ensued regarding markets, investment climate and factors to consider going forward.

Green recommended continuing current investment strategy with no changes to the portfolio.

MOTION by Weber, seconded by Galvin, to receive and file the MSSB Graystone Consulting report for fiscal year ending June 30, 2015 as presented. MOTION CARRIED UNANIMOUSLY.

**APPLICATION FOR RETIREE HEALTH CARE BENEFITS**

MOTION by Weber, seconded by Galvin, to approve an application from Christine Schutz for retiree healthcare benefits at 100% of premium cost, benefits effective July 24, 2015, eligibility verified by the City Treasurer's Office as meeting the requirements for a 100% paid healthcare benefit. MOTION CARRIED UNANIMOUSLY.

**OTHER BUSINESS**

**Monte Carlo Scenario**

Green advised that based on the Monte Carlo simulation of projected benefit payments there is a 60% probability that the Retiree Healthcare funds will last 20 years.

Discussion followed regarding the increased responsibility of the Retiree Health Care (RHC) Board as a result of managing the OPEB bonds.

MOTION by Galvin, seconded by Weber, to accept the Monte Carlo scenario. MOTION CARRIED UNANIMOUSLY.

**MISCELLANEOUS**

**Public Comment**

Schneemann expressed appreciation to the Board for allowing him to sit in on the meeting. He stated it is good to see such a tight focus on the management of RHC funds.

**Trustee Comments**

Weber commented previous discussion had been held regarding expanding membership on the board given the increased responsibility of the OPEB funds. He noted retirement boards can also include a city employees, retirees and community members.

Discussion followed regarding reasons for increasing board membership.

Galvin asked if there is some point in the future where the number of retirees would peak in the system. Weber stated that information can be provided.

**ADJOURNMENT**

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

Meeting adjourned at 9:50 a.m.

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Christopher M. Weber, Secretary

APPROVED: November 24, 2015