

FINAL

CITY OF FARMINGTON RETIREE HEALTH CARE FUND November 22, 2016

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, November 22, 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 9:07 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 August 16, 2016. MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT

Financial Report: quarter ending September 30, 2016.

MOTION by Murphy, seconded by Galvin, to accept the Treasurer's Report for quarter ending September 30, 2016 as presented. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

Summary Report – quarter ending September 30, 2016

Quarterly Report – quarter ending September 30, 2016

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

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

Holycross stated that the portfolio is up 3.59% this quarter and up almost 10% year to date.

MOTION by Murphy, seconded by Weber, 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 \$82,500 from S&P dividend stocks and \$82,500 from Vanguard Bond Fund to create \$165,000 into the cash account.

Galvin questioned what to do with excess earnings and where to invest in the future.

Holycross anticipates a shallow recession, possibly mid-2018, so isn't prepared to make a recommendation at this time.

Weber clarified that the fund will stay overweight to stocks and underweight to bonds in the short term.

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

OTHER BUSINESS

Board Meeting Schedule for 2017

- i. February 28, 2017
- ii. May 16, 2017
- iii. August 22, 2017
- iv. November 21, 2017

Originally, the February meeting was proposed for the 21st, but Holycross will be unavailable. It was rescheduled for February 28, 2017.

MOTION by Galvin, seconded by Weber, to approve the Board Meeting Schedule. MOTION CARRIED UNANIMOUSLY.

MISCELLANEOUS

Public Comment

No public comment was heard.

Trustee Comment

No trustee comment was heard.

ADJOURNMENT

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

Meeting adjourned at 9:45 a.m.

Christopher M. Weber, Secretary

APPROVED: February 28, 2017