

# FINAL

## CITY OF FARMINGTON RETIREE HEALTH CARE FUND August 22, 2017

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, August 22, 2017 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:** William Messner, MSSB Graystone Consulting; Sue Halberstadt, Recording Secretary.

### **MINUTES OF PREVIOUS MEETINGS**

MOTION by Murphy, seconded by Weber, to approve the regular meeting minutes of June 6, 2017. MOTION CARRIED UNANIMOUSLY.

### **TREASURER'S REPORT**

**Financial Report: quarter ending June 30, 2017.**

MOTION by Galvin, seconded by Murphy, to accept the Treasurer's Report for quarter ending June 30, 2017 as presented. MOTION CARRIED UNANIMOUSLY.

### **ADMINISTRATOR'S REPORT**

**Summary Report – quarter ending June 30, 2017**

**Quarterly Report – quarter ending June 30, 2017**

**Fund Manager's Report: Morgan Stanley Smith Barney (MSSB), Graystone Consulting - Quarter Ending June 30, 2017**

William Messner of Morgan Stanley Smith Barney (MSSB) Graystone Consulting provided a report on investments through quarter ending June 30, 2017. Discussion ensued regarding markets, investment climate and factors to consider going forward.

Messner stated that the portfolio is up 2.94% this quarter and up 7.47% 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**

Messner provided information on the proposed rebalance. He recommended moving \$110,000 from Edgewood and \$70,000 from Loomis into cash balance.

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

## **APPLICATION FOR RETIREE HEALTH CARE BENEFITS**

Weber stated that Scott Herrmann submitted an application for Retiree Health Care benefits.

MOTION by Murphy, seconded by Weber, to accept Scott Herrmann's application for Retiree Health Care benefits. MOTION CARRIED UNANIMOUSLY.

## **OTHER BUSINESS**

Weber provided information about an actuary report as of June 2016 that can be used to determine what percentage to use for RHC valuation. He suggested 7% standard number for actuary report.

## **MISCELLANEOUS**

### **Public Comment**

No public comment was heard.

### **Trustee Comment**

Weber explained that the City is no longer sharing healthcare benefits with Farmington Hills. The city and active employees will see savings of \$120,000 under the new plan; the savings will be shared 50-50 by the employees and city. The retiree costs will go up \$16,000, however. Weber stated the downside of this new plan is that it is experience rated, so depending on the amount of claims the costs could go up or down dramatically.

Galvin stated that with any experience rated market a 3-5 year time period is the best gauge for predicting costs.

## **ADJOURNMENT**

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

Meeting adjourned at 9:35 a.m.

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Christopher M. Weber, Secretary

APPROVED: December 5, 2017