

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
August 30, 2012

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Thursday, August 30, 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 10:40 a.m. by Vice Chairman Buck

PRESENT: Buck, Pastue (arrived 11:27 a.m.), Weber.

ABSENT: None.

OTHERS PRESENT: Administrator Cantrell; Brian Green, MSSB Graystone Consulting.

MINUTES OF PREVIOUS MEETINGS:

MOTION by Weber, seconded by Buck, to approve the regular meeting minutes of May 15, 2012 and special meeting minutes of May 15, 2012 as presented. MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT:

Financial Report, quarter ending June 30, 2012.

MOTION by Buck, seconded by Weber, to accept the Treasurer's Report for quarter ending June 30, 2012 as presented. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT:

Summary Report and Fund Manager's Report, Munder Capital Management, quarter ending June 30, 2012.

Brian Green of Morgan Stanley Smith Barney's Graystone Consulting Group provided a report on investments from the date of transition to Graystone management through quarter ending June 30, 2012. Trustees questioned Green regarding the discrepancy between the Board's initial approval of placing funds with Cramer, Rosenthal and McGlynn (CRM) and subsequent approval of a revised asset allocation proposed by Graystone placing funds with Loomis Small/Mid Cap Fund. The funds were invested with CRM. Green advised that the revised proposal document inadvertently included the name of Loomis when the recommendation continued to be CRM. The Board questioned how this occurred and what Graystone has done to prevent future mistakes like this from occurring. Green assured the Board that Graystone's processes have been reviewed and revised to include measures to prevent this type of error from recurring.

MOTION by Weber, seconded by Pastue, to receive and file the Administrator's Summary Report and Munder Capital Management Report for quarter ending June 30, 2012. MOTION CARRIED UNANIMOUSLY.

MOTION by Weber, seconded by Pastue, to approve the investment of funds with Cramer, Rosenthal and McGlynn (CRM) with assurances by Morgan Stanley Smith Barney's Graystone Consulting that processes have been revised to assure investments are made with approved managers; with MSSB's Graystone Consulting to provide data on process changes along with comparative data on both CRM and Loomis small/mid cap fund investment results from the period of the initial investment through today's date, data to be provided within the next week . MOTION CARRIED UNANIMOUSLY.

APPLICATION FOR RETIREE HEALTH CARE BENEFITS:

Application was received from Kevin Gushman, General Administrative Group, for retiree health care benefits. The City Treasurer's Office provided verification of Mr. Gushman's eligibility for the benefits requested.

MOTION by Buck, seconded by Weber, to approve Kevin Gushman's application for retiree healthcare benefits at 100% of premium cost, benefits effective September 1, 2012, eligibility verified by the City Treasurer's Office as meeting the requirements for a 100% paid healthcare benefit. MOTION CARRIED UNANIMOUSLY.

MISCELLANEOUS:

PUBLIC COMMENTS

None.

TRUSTEE COMMENTS

None.

ADJOURNMENT:

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

Meeting adjourned at 11.59 a.m.

Patsy K. Cantrell, Administrator

Christopher M. Weber, Secretary

APPROVED: November 20, 2012