

FINAL

CITY OF FARMINGTON RETIREE HEALTH CARE FUND August 20, 2019

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Tuesday, August 20, 2019 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 9:04 a.m. by Chairman Schneemann.

PRESENT: Murphy, Schneemann, Weber

OTHERS PRESENT: MSSB Graystone Consulting Financial Advisor Erik Burger and Recording Secretary Mary Mullison.

MINUTES OF PREVIOUS MEETINGS

MOTION by Weber, seconded by Murphy, to approve the regular meeting minutes of May 19, 2019.
MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT

Financial Report: quarter ending June 30, 2019.

MOTION by Murphy, seconded by Weber, to accept the Treasurer's Report for quarter ending June 30, 2019 as presented.
MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

Summary Report – quarter ending June 30, 2019

Detail Report – quarter ending June 30, 2019

Weber reviewed the Administrator's reports for quarter ending June 30, 2019. He discussed anticipated annual earnings and premiums with trends based on current retirees and the number of active employee participants in the plan. Liabilities and assets were reviewed.

Fund Manager's Report: Morgan Stanley Smith Barney (MSSB), Graystone Consulting - Quarter Ending June 30, 2019

Erik Burger of MSSB, Graystone Consulting, provided a report on investments through quarter ending June 30, 2019.

Discussion ensued regarding changes since the last quarter, market indices, China/US trade tariffs, and politically driven markets rather than markets driven by earnings. Market volatility, Farmington's percentage of stocks and strategies for protecting the fund were also reviewed. Burger spoke of growth versus value, the present investment climate and factors to consider going forward, including wealth management perspectives and indicators for recession such as the recent yield curve inversion.

MOTION by Weber, seconded by Murphy, to approve the Administrator's Report as presented.
MOTION CARRIED UNANIMOUSLY.

OTHER BUSINESS

Redistribution of Investments

Strategy for adjustment in funds and investments was reported.

MOTION by Murphy, seconded by Weber, to approve the Redistribution of Investments as presented.
MOTION CARRIED UNANIMOUSLY.

Presentation of Monte Carlo analysis to Council

Planning for reporting to Council about the current Monte Carlo analysis. Discussion ensued about when best to present information to Council. The October 21, 2019 Council special study session was suggested as best.

Status of Actuarial Valuation

The status of the actuarial valuation should be out by the end of September and Weber suggested that a joint presentation of pension and retiree health care would be best.

MISCELLANEOUS

Public Comment

No public comment was heard.

Trustee Comments

Murphy asked if Farmington should expand the Retiree Health Care Fund Trustee board, such as adding an employee member or a community member. Schneemann was not opposed to that idea, and Weber suggested that having a beneficiary of the system would be more of a balance. Schneemann directed Murphy to consult the City's attorney about enlarging the board.

ADJOURNMENT

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

Meeting adjourned at 9:53 a.m.

Christopher M. Weber, Secretary

APPROVED: 11/19/2019