

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
BOARD OF TRUSTEES
January 26, 2004

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Monday, January 26, 2004 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 11:30 a.m. by Clerk/Treasurer Cantrell.

PRESENT: Arnold T. Campbell, Patsy K. Cantrell, Vincent D. Pastue

ABSENT: None

Clerk/Treasurer Cantrell reviewed Ordinance Number C-692-2002, effective March 6, 2003, which established a Retiree Health Care Plan and a Retiree Health Care Fund for the purpose of providing health insurance benefits for retirees of the City who are eligible to receive a retirement benefit from the City of Farmington Employees Retirement System and the eligible spouses and eligible dependents of such retirees and to provide for the funding of such benefits. Cantrell indicated that the Plan and Fund were created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999.

Cantrell advised the Trustees that the Ordinance names the Mayor, City Manager and City Treasurer as Trustees of the Fund and calls for officers to be elected each year at the first meeting of the quarter and that such officers will serve for a period of one year. The officers to be elected are a chair, vice-chair and secretary.

ELECTION OF OFFICERS

Motion by Campbell, seconded by Pastue, to nominate and elect Pastue as Chair, Campbell as Vice-Chair and Cantrell as Secretary of the Farmington Retiree Health Care Fund, each serving a term of one year.

Chair Pastue continued the meeting requesting that Cantrell review the Ordinance establishing the Plan and Fund.

Cantrell reviewed the Ordinance and discussion ensued regarding the structure of the System (Plan and Fund). It was noted that the City will administer the Plan and will appoint a Plan Administrator as required. The Board of Trustees will administer the Fund and appoint a Fund Administrator who will be responsible for the day-to-day operations of the Fund and will carry out the directives of the Trustees.

Cantrell clarified that the Board of Trustees is vested with the authority to render decisions regarding participation in the Plan.

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DISCUSSION REGARDING APPOINTMENT OF PLAN AND FUND ADMINISTRATORS, ACTUARY AND LEGAL COUNCIL, ETC.

The Board discussed the appointment of a Fund Administrator and the appointment of a vendor for actuarial and legal services.

Motion by Cantrell, seconded by Campbell, to appoint Cantrell as Fund Administrator; and to contract with Gabriel, Roeder & Smith as actuaries and Michael VanOverbeke as legal counsel. MOTION CARRIED UNANIMOUSLY.

DISCUSSION REGARDING POLICIES & PROCEDURES

Discussion followed regarding policies and procedures for the Fund. Cantrell advised that as Administrator of the Retirement System she is currently working on updating policies and procedures and developing a Policies and Procedures Manual for that System and will concurrently work to develop a Policies and Procedures Manual for the Retiree Health Care System. Cantrell anticipated that this will be an ongoing process and require Board approval as policies and procedures are developed.

DISCUSSION REGARDING INVESTMENT OF FUND ASSETS

The Board discussed investing Fund assets. Cantrell reviewed the history of funding retiree health care in the City noting that the Fund had been established under Public Act 149 of 1999 prior to the adoption of Ordinance C-692-2002 establishing a Retiree Health Care Plan and that Council had approved an investment policy for the Fund. Cantrell suggested that the Board adopt the current investment policy as the Board's Investment Policy for the Retiree Health Care Fund.

Motion by Campbell, seconded by Cantrell, to adopt an Investment Policy for the Retiree Health Care Fund as presented and previously approved by the City Council for the PA 149 Retiree Health Care Fund. **[SEE ATTACHED POLICY]**. MOTION CARRIED UNANIMOUSLY.

After discussion regarding appropriate investments for the Fund's assets, the Board directed Cantrell to provide two or three investment proposals for consideration at the next meeting.

MISCELLANEOUS

PUBLIC COMMENTS

There were no public comments.

TRUSTEE COMMENTS

Trustee comments were heard with the Board concurring to set meeting dates for April 8, July 8, and October 7, 2004 at 11:30 a.m.

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Motion by Campbell, seconded by Pastue, to adjourn the meeting.

Meeting adjourned at 12:35 p.m.

Submitted by,

Patsy K. Cantrell, Secretary

APPROVED: APRIL 19, 2004