

CITY OF FARMINGTON RETIREE HEALTH CARE FUND
BOARD OF TRUSTEES
March 3, 2008

A regular meeting of the Farmington Retiree Health Care Fund Board of Trustees was held on Monday, March 3, 2008 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 9:30 a.m. by Chairperson Pastue.

PRESENT: Knol, Pastue, Weber.

ABSENT: None.

OTHERS PRESENT: Administrator Cantrell.

ELECTION OF OFFICERS:

MOTION by Weber, seconded by Knol, to nominate and appoint Pastue as Chair; Knol as Vice Chair; and Weber as Secretary for a one-year term ending February 2009.

MOTION CARRIED UNANIMOUSLY.

MINUTES OF PERVIOUS MEETINGS:

MOTION by Weber, seconded by Knol, to approve the regular meeting minutes of December 17, 2007 as presented. MOTION CARRIED UNANIMOUSLY.

TREASURER'S REPORT: Quarter ending December 31, 2007

MOTION by Knol, seconded by Pastue, to accept the Treasurer's Report for quarter ending December 31, 2007 as presented. MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT:

MOTION by Knol, seconded by Weber, to receive and file the Administrator's Report including the Fund Manager's Report, Munder Capital Management, for quarter ending December 31, 2007. MOTION CARRIED UNANIMOUSLY.

ASSET ALLOCATION:

Tom Mudie, Munder Capital Management, responding to the Board's request, made a presentation regarding reallocation of assets in the Intermediate Bond Fund to the Asset Allocation Fund-Balanced with the assets to be transferred by June 30, 2008.

MOTION by Knol, seconded by Weber, to direct Munder to transfer the System's funds invested in the Munder Intermediate Bond Fund to the Munder Asset Allocation Fund-Balanced by June 30, 2008; with the funds to be transferred in March, April, May and

June of 2008 in approximately equal amounts, unless in the opinion of Munder, circumstances indicate that transferring the funds at different times and in different amounts would provide an economic advantage to the System. MOTION CARRIED UNANIMOUSLY.

MISCELLANEOUS:

PUBLIC COMMENTS

None.

TRUSTEE COMMENTS

At the request of Trustee Pastue, Trustee Weber and Cantrell provided an overview of the new governmental accounting standards applicable to retiree health care benefits. Weber and Cantrell discussed the actuarial valuation of retiree health care liabilities and the issue of the implicit rate subsidy which increases that liability. Pastue advised that Weber and Cantrell are looking at options to address the validity of an implicit rate subsidy cost being added to the City's accrued liability for retiree health care.

ADJOURNMENT:

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

Meeting adjourned at 10:30 a.m.

Patsy K. Cantrell, Administrator

Christopher M. Weber, Secretary

APPROVED: May 19, 2008