

**RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
BOARD OF TRUSTEES REGULAR MEETING
Tuesday, November 27, 2018
Room #112 – Parks & Recreation Building
26000 Evergreen Road, Southfield, MI**

MEETING MINUTES

BOARD MEMBERS PRESENT: John Fisher, Chair; Edward Gardella; Duane Garth; Shirley Lightsey; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; Ronald Miller; Donna Sanders; Frederick E. Zorn, Jr.

BOARD MEMBERS ABSENT: Audrey Harvey; Brent Wilson

OTHERS PRESENT: Lauri Siskind, Human Resources Director; RHC Administrator William Messner & Erik Burger; Graystone Consulting- Morgan Stanley Michael J. VanOverbeke; VanOverbeke Michaud & Timmony P.C. Penelope Scharmberg, Administrative Assistant HR/LR; RHC Secretary Christine Catalanotte, Human Resources Manager of Operations

Chair Fisher called the meeting to order at 5:30 p.m.

AGENDA

Review and approval of the Agenda.

Ms. Siskind requested an expense report from Mr. Lowenberg be added to the agenda.

MOTION #RHC-18-060

Motion by Mannisto, supported by Lightsey to approve the Agenda for this today's meeting.

Motion carried.

MINUTES

Review and approve Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of July 31, 2018.

MOTION #RHC-18-061

Motion by Mannisto, supported by Lightsey to approve the Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of July 31, 2018.

Motion carried.

INVESTMENT CONSULTANT REPORT

Performance Overview

Mr. Messner and Mr. Burger reported on the RHC 2018 3rd Quarter performance which ended in a bear market mid-September. The U.S. equity markets were on an upturn, with health care the forerunner. Global equities continued to underperform. The bond market remained flat. Investors continue to move to a defensive posture. RHC performance for the quarter remained in the black.

MOTION #RHC-18-062

Motion by Zorn, supported by Mannisto to receive and file the 2018 3rd Quarter performance review presented by William Messner & Erik Burger; Graystone Consulting - Morgan Stanley.

Motion carried.

Mr. Messner recommended the following protocol for asset allocation rebalance and funding of the flexible equity account:

- FPA Crescent from WAM 1500
- Templeton Global Bond Fund from WAM BC Aggregate
- JP Morgan Strategic Income from WAM BC Aggregate & Loomis Sayles Investment Grade Bond
- Cash Account from WAM BC Aggregate

MOTION #RHC-18-063

Motion by Fisher supported by Maisano to adopt the following funding protocol for asset allocation rebalance and funding of the flexible equity account as recommended by Graystone Consulting – Morgan Stanley in the RHC 3rd Quarter 2018 Executive Overview:

- FPA Crescent from WAM 1500
- Templeton Global Bond Fund from WAM BC Aggregate
- JP Morgan Strategic Income from WAM BC Aggregate & Loomis Sayles Investment Grade Bond
- Cash Account from WAM BC Aggregate

Motion carried.

Mr. Messner will bring Non-Correlated Asset managers to the next meeting.

LEGAL REPORT

Mr. VanOverbeke reviewed the upcoming lame duck session and potential bills that may come before the legislation regarding health care reform and reporting.

MOTION #RHC-18-064

Motion by Mannisto, supported by Miller to receive & file the legal report presented by Michael J. VanOverbeke, VanOverbeke, Michaud & Timmony, P.C.

Motion carried.

RHC ADMINISTRATOR

With the retirement of Ms. Siskind, a discussion ensued regarding care of the administrative portion of the Retiree Health Care Benefits Plan. It was decided that Mr. Zorn will assist with capital calls on any investment managers and Ms. Scharmberg will assist with the administrative duties necessary. Comerica bank will receive an updated authorized user list inclusive of Mr. Fisher, Ms. Mannisto, Mr. Maisano and Mr. Zorn.

FINANCIAL REPORTS

The board members reviewed the RHC financial reports for the periods ending June 30, 2018, July 31, 2018, August 31, 2018 and September 30, 2018.

MOTION #RHC-18-065

Motion by Zorn, supported by Fisher to approve the RHC financial reports for the periods ending June 30, 2018; July 31, 2018; August 31, 2018 and September 30, 2018.

Motion carried.

CONTRIBUTION REFUNDS

1. *Review and approve refund of accrued contributions to LaVern Laury.*

MOTION #RHC-18-066

Motion by Mannisto, supported by Zorn to approve the refund of accrued contributions to LaVern Laury.

Motion carried.

2. *Review and approve refund of accrued contributions to Gail Yunker.*

MOTION #RHC-18-067

Motion by Mannisto, supported by Zorn to approve the refund of accrued contributions to Gail Yunker.

Motion carried.

FINANCIAL ITEMS

1. *Acknowledge receipt of Management Fee invoices.*

MOTION #RHC-18-068

Motion by Mannisto, supported by Gardella to acknowledge receipt of the RHC Management Fee invoices from Comerica Bank for the period 7/1/18 – 9/30/18.

Motion carried.

2. *Review and approve payment to Hamlin Capital Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$17,478.13.*

MOTION #RHC-18-069

Motion by Mannisto, supported by Gardella to approve payment to Hamlin Capital Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$17,478.13.

Motion carried.

3. *Review and approve payment to Hamlin Capital Partners for investment management services provided during the period 7/1/18 – 9/30/18, in the amount of \$17,623.60.*

MOTION #RHC-18-070

Motion by Mannisto, supported by Gardella to approve payment to Hamlin Capital Partners for investment management services provided during the period 7/1/18 – 9/30/18, in the amount of \$17,623.60.

Motion carried.

4. *Review and approve payment to Gabriel Roeder Smith & Company for production of GASB Statement No. 74/Plan Reporting and Accounting Schedules as of 6/30/18, in the amount of \$12,000.00.*

MOTION #RHC-18-071

Motion by Mannisto, supported by Gardella to approve payment to Gabriel Roeder Smith & Company for production of GASB Statement No.74/Plan Reporting and Accounting Schedules as of 6/30/18, in the amount of \$12,000.00.

Motion carried.

5. *Review and approve expense report of Julius Maisano for expenses incurred during attendance at MAPERS Fall Conference, Grand Traverse, Acme, Michigan, 9/22/18 – 9/25/18.*

MOTION #RHC-18-072

Motion by Mannisto, supported by Gardella to approve expense report of Julius Maisano for expenses incurred during attendance at MAPERS Fall Conference, Grand Traverse, Acme, Michigan, 9/22/18 – 9/28/18.

Motion carried.

6. *Review and approve payment to Comerica Bank Cardmember Service for activity during periods 7/6/18 – 8/6/18, 8/7/18 – 9/6/18, 9/7/18 – 10/4/18 and 10/5/18 – 11/5/18.*

MOTION #RHC-18-073

Motion by Mannisto, supported by Gardella to and approve payment to Comerica Bank Cardmember Service for activity during periods 7/6/18 – 8/6/18, 8/7/18 – 9/6/18 and 9/7/18 – 10/4/18 and 10/5/18 – 11/5/18.

Motion carried.

PUBLIC COMMENTS

No member of the public was present.

2019 MEETING CALENDAR

The board was presented with a calendar of six meetings for the year 2019. After discussion, it was determined that only quarterly meetings would be scheduled and if needed, special meetings could be held.

MOTION #RHC-18-074

Motion by Garth, supported by Zorn to approve the Retiree Health Care Benefits Plan & Trust 2019 Annual Public Notice as amended to quarterly meetings scheduled for: February 2, 2019; May 15, 2019; September 11, 2019; December 11, 2019.

Motion carried.

The board thanked Ms. Siskind for her years of service administrating the RHC Trust.

With no further matters to discuss, a motion to adjourn was raised.

MOTION #RHC-18-075

Motion by Mannisto, supported by Maisano to adjourn the Retiree Healthcare Benefits Plan & Trust Board of Trustees of November 27, 2018, at 7:27 p.m.

Motion carried.