

**RETIREE HEALTH CARE BENEFITS PLAN AND TRUST  
BOARD OF TRUSTEES REGULAR MEETING  
Wednesday, May 13, 2020  
Due to the State of Emergency declared regarding COVID-19,  
the RHC Meeting was held Via Teleconference**

**MEETING MINUTES**

**BOARD MEMBERS PRESENT:** John Fisher, Chair; Edward Gardella; Audrey Harvey; Shirley Lightsey; Julius Maisano; L. Susan Mannisto; Ronald Miller; Donna Sanders; Brent Wilson; Frederick E. Zorn, Jr.

**BOARD MEMBERS ABSENT:** Duane Garth; Irv Lowenberg; Donna Sanders (alternate)

**OTHERS PRESENT:** Penelope Scharmberg, Administrative Assistant HR/LR/RHC Administrator  
William Messner; Graystone Consulting- Morgan Stanley  
Jeffrey Tebeau; Gabriel Roeder Smith & Company  
Michael J. VanOverbeke; VanOverbeke Michaud & Timmony P.C.

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

**AGENDA**

*Review and approval of the Agenda.*

**MOTION #RHC-20-017**

Motion by Lightsey, supported by Mannisto, to approve the Agenda for the May 13, 2020 meeting.

Motion carried.

**MINUTES**

*I. Review and approve Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of February 11, 2020.*

**MOTION #RHC-20-018**

Motion by Maisano, supported by Lightsey, to approve the Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of February 11, 2020.

Motion carried.

**ACTUARIAL REPORT**

*I. Preliminary Review*

Mr. Tebeau presented the June 30, 2019 Draft of Actuarial Valuation as of June 30, 2019 for review by the Trustees. He explained that GASB now has different accounting standards which allow for more flexibility and are closer to the IPS. The unfunded liability option chosen had to satisfy the State requirements.

**MOTION #RHC- 20-019**

Motion by Fisher, supported by Mannisto, to approve the Actuarial Valuation as of June 30, 2019, as presented by Gabriel Roeder Smith & Company.

Motion carried.

*Mr. Zorn left the meeting at this point.*

**INVESTMENT CONSULTANT REPORT**

*I. Performance Review*

Mr. Messner reviewed the 1<sup>st</sup> Quarter 2020 Executive Overview for the plan assets. The equity market peaked on 2/19/20 and dropped 20% by 3/23/20; oil prices dropping 60% in the same period. Both stocks & bonds faltered with the world shutdown, due to COVID-19 shake up, as the market prepares for a potential recession.

**MOTION #RHC – 20-020**

Motion by Mannisto, supported by Gardella to receive and file the RHC 1<sup>st</sup> Quarter 2020 Executive Overview, prepared by MS Graystone Consulting.  
Motion carried.

**2. Asset Allocation**

Mr. Messner reviewed positioning for 2020, suggesting a rebalance of assets after closing one manager and funding global equity and global fixed income accounts to better serve the portfolio.

**MOTION #RHC-20-021**

Motion by Maisano, supported by Harvey to approve a rebalance of assets to increase global equity and fixed income managers, as presented by MS Graystone Consulting.  
Motion carried.

**3. Global Equity Manager**

Mr. Messner introduced two global equity investment managers to the board to further diversify the portfolio with expected growth overseas.

**MOTION #RHC-20-022**

Motion by Maisano, supported by Harvey to approve a \$4M investment in Kopernik Global All-Cap Fund.  
Motion carried, Miller descending.

**4. Alidade Amendment**

A Second Amendment to the Limited Partnership Agreement with Alidade Capital Fund IV was received by the Board containing clarification on ambiguous wording regarding the loan to value ratio reference in Section 6.30(b) of the LPA. No other amendment to the agreement was requested.

**MOTION #RHC-20-023**

Motion by Mannisto, supported by Maisano to approve the Second Amendment to the Limited Partnership Agreement with Alidade Capital Fund IV.  
Motion carried.

**LEGAL REPORT**

Mr. VanOverbeke presented a copy of Executive Order #2020-48, rescinding EO #2020-15 regarding temporary authorization of remote participation in public meetings and hearings and temporary relief from monthly meeting requirements for school boards, for the requested the Trustees to review. He had no further information for them.

**FINANCIAL ITEMS**

1. *Review and approve payment to Morgan Stanley for investment consultant services provided during period 7/1/19 – 9/30/19, in the amount of \$17,266.89.*

**MOTION #RHC-20-024**

Motion by Mannisto, supported by Miller to approve payment to Morgan Stanley for investment consultant services provided during period 7/1/19 – 9/30/19, in the amount of \$17,266.89.  
Motion carried.

2. *Review and approve payment to Morgan Stanley for investment consultant services provided during period 1/1/20 – 3/31/20, in the amount of \$15,637.28.*

**MOTION #RHC-20-025**

Motion by Mannisto, supported by Miller to approve payment to Morgan Stanley for investment consultant services provided during period 1/1/20 – 3/31/20, in the amount of \$15,637.28.  
Motion carried.

3. *Review and approve payment to Gabriel Roeder Smith & Company for preparation of GASB Statement No. 74 Reporting and Accounting Schedules as of June 30, 2019, GASB Statement No. 75 Accounting Schedules, and calculation of required disclosures under Michigan PA 202, in the amount of \$16,100.00.*

**MOTION #RHC-20-026**

Motion by Mannisto, supported by Miller to approve payment to Gabriel Roeder Smith & Company for preparation of GASB Statement No. 74 Reporting and Accounting Schedules as of June 30, 2019, GASB Statement No. 75 Accounting Schedules, and calculation of required disclosures under Michigan PA 202, in the amount of \$16,100.00.  
Motion carried.

4. *Review and approve payment to Hamlin Capital Management, L.L.C. for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$14,044.04.*

**MOTION #RHC-20-027**

Motion by Mannisto, supported by Miller to approve payment to Hamlin Capital Management, L.L.C. for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$14,044.04.  
Motion carried.

5. *Review and approve payment to Clarkston Capital Partners for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$12,887.00.*

**MOTION #RHC-20-028**

Motion by Mannisto, supported by Miller to approve payment to Clarkston Capital Partners, for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$12,887.00.  
Motion carried.

6. *Review and approve payment to Ancora Advisors for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$14,760.62.*

**MOTION #RHC-20-029**

Motion by Mannisto, supported by Miller to approve payment to Ancora Advisors for investment management services provided during the period 1/1/20 – 3/31/20, in the amount of \$14,760.62.  
Motion carried.

7. *Review and approve reimbursement to City of Southfield for 2020 MAPERS annual membership, in the amount of \$200.00.*

**MOTION #RHC-20-030**

Motion by Mannisto, supported by Miller to approve reimbursement to City of Southfield for 2020 MAPERS annual membership, in the amount of \$200.00.  
Motion carried.

**PUBLIC COMMENTS**

No member of the public wished to make comment.

**OTHER ITEMS**

A discussion ensued regarding transition of Administration for the RHC. Ms. Scharmberg recommended Megan Battersby for the position and Mr. Fisher and Mr. Maisano decided to speak to her. Mr. Messner also discussed Morgan Stanley's abilities when hired as a custodian for the funds. He would provide a custodial proposal for services shortly for the Trustees to access.

**MOTION #RHC-20-031**

Motion by Gardella, supported by Lightsey to authorize Mr. Fisher & Mr. Maisano to discuss administrative duties with Ms. Battersby; and further, to allow Morgan Stanley to provide a custodial proposal for services.  
Motion carried.

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

**MOTION #RHC-20-032**

Motion by Lightsey, supported by Miller to adjourn the Retiree Healthcare Benefits Plan & Trust Board of Trustees meeting of May 13, 2020, at 7:55 p.m.

Motion carried.

Prepared by Penelope Scharmberg; Revised by Megan Battersby

Approved by Board on September 9, 2020