

**RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
BOARD OF TRUSTEES REGULAR MEETING**

**Tuesday, July 31, 2018
Room #112 – Parks & Recreation Building
26000 Evergreen Road, Southfield, MI**

MEETING MINUTES

BOARD MEMBERS PRESENT: John Fisher, Chair; Edward Gardella; Audrey Harvey (*telephonically*); Shirley Lightsey; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; Ronald Miller; Donna Sanders; Frederick Zorn, Jr.

BOARD MEMBERS ABSENT: Duane Garth; 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-18-044

Motion by Mannisto, supported by Lightsey to approve the Agenda for this today's meeting, with the addition of Mr. Lowenberg's expense report.

Motion carried.

MINUTES

Review and approve Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of May 9, 2018.

MOTION #RHC-18-045

Motion by Maisano, supported by Gardella to approve the Retiree Health Care Benefits Plan and Trust Board Meeting Minutes of May 9, 2018.

Motion carried.

INVESTMENT CONSULTANT REPORT

Performance Overview

Mr. Burger reported on the RHC 2018 2st Quarter performance noting that after the first quarter volatility, some relief was found in the second. Capital markets showed U.S. equities, led by energy, produced positive returns however, the international market fell. The bond market had slight negative returns.

The RHC portfolio was slightly in the black for the quarter however, alternative investment performance was not posted as of publication date.

MOTION #RHC-18-046

Motion by Maisano, supported by Lightsey to receive and file the 2018 2nd Quarter performance review presented by William Messner & Erik Burger; Graystone Consulting - Morgan Stanley.

Motion carried.

Mr. Messner recommended the following funding protocol for alternative investments:

- McMorgan Infrastructure Fund I from WAM Barclays Aggregate Bond Index
- EnTrust Special Opportunities Fund IV from WAM 1500
- Townsend Real Estate Fund II from WAM 1500
- Blackstone Tactical Opportunities Fund I from WAM 1500
- Metropolitan Real Estate Fund II from Vanguard REIT
- Alidade Fund IV from WAM 1500

MOTION #RHC-18-047

Motion by Mannisto, supported by Gardella to adopt the following illiquid funding protocol for alternate investments as recommended by Graystone Consulting – Morgan Stanley in the RHC 2nd Quarter 2018 Executive Overview:

- McMorgan Infrastructure Fund I from WAM Barclays Aggregate Bond Index
- EnTrust Special Opportunities Fund IV from WAM 1500
- Townsend Real Estate Fund II from WAM 1500
- Blackstone Tactical Opportunities Fund I from WAM 1500
- Metropolitan Real Estate Fund II from Vanguard REIT
- Alidade Fund IV from WAM 1500

Motion carried.

Mr. Messner will overview Flexible Equity Manager candidates at the next meeting.

LEGAL REPORT

Mr. VanOverbeke presented the board with a retainer agreement explaining that after 10 years, his firm had decided to raise their hourly rate by \$10 with a built in CPI/maximum per year of 3%. This fee structure will be maintained for five years commencing July 1, 2018.

MOTION #RHC-18-048

Motion by Lowenberg, supported by Maisano approve the request for a fee increase presented by Michael J. VanOverbeke, VanOverbeke, Michaud & Timmony, P.C.

Motion carried.

FINANCIAL REPORTS

The board members reviewed the RHC financial reports for the periods ending April 30, 2018 and May 31, 2018.

MOTION #RHC-18-049

Motion by Mannisto, supported by Lowenberg to approve the RHC financial reports for the periods ending April 30, 2018 and May 31, 2018.

Motion carried.

CONTRIBUTION REFUNDS

1. *Review and approve refund of accrued contributions to Douglas Block.*

MOTION #RHC-18-050

Motion by Zorn, supported by Maisano to approve the refund of accrued contributions to Douglas Block.

Motion carried.

2. *Review and approve refund of accrued contributions to Catherine Everhart.*

MOTION #RHC-18-051

Motion by Zorn, supported by Maisano to approve the refund of accrued contributions to Catherine Everhart.

Motion carried.

FINANCIAL ITEMS

1. *Acknowledge receipt of Management Fee invoices.*

MOTION #RHC-18-052

Motion by Mannisto, supported by Gardella to acknowledge receipt of the RHC Management Fee invoices from Comerica Bank for the periods 4/1/18 – 6/30/18.

Motion carried.

2. *Review and approve payment to Clarkston Capital Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$14,787.00.*

MOTION #RHC-18-053

Motion by Mannisto, supported by Gardella to approve payment to Clarkston Capital Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$14,787.00.

Motion carried.

3. *Review and approve expense report of Julius Maisano for expenses incurred during attendance at MAPERS Spring Conference, Mount Pleasant, Michigan, 5/19/18 – 5/22/18.*

MOTION #RHC-18-054

Motion by Mannisto, supported by Gardella to approve expense report of Julius Maisano for expenses incurred during attendance at MAPERS Spring Conference, Mount Pleasant, Michigan, 5/19/18 – 5/22/18.

Motion carried.

4. *Review and approve payment to City of Southfield for reimbursement of RHC Fiduciary Liability Insurance for the 7/1/18 – 6/30/19 policy year, in the amount of \$7,328.40.*

MOTION #RHC-18-055

Motion by Mannisto, supported by Gardella to approve payment to City of Southfield for reimbursement of RHC Fiduciary Liability Insurance for the 7/1/18 – 6/30/19 policy year, in the amount of \$7,328.40.

Motion carried.

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

MOTION #RHC-18-056

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

Motion carried.

6. *Review and approve payment to Irv Lowenberg for reimbursement of expenses incurred during attendance at EnTrust Capital Investment Summit, New York, NY, on 2/27/18-2/28/18.*

MOTION #RHC-18-057

Motion by Mannisto, supported by Gardella to approve payment to Irv Lowenberg for reimbursement of expenses incurred during attendance at EnTrust Capital Investment Summit, New York, NY, on 2/27/18 – 2/28/18.

Motion carried.

SELECTION OF DELEGATE FOR MAPERS FALL 2018 CONFERENCE

Mr. Maisano and Mr. Gardella volunteered as delegates for the upcoming MAPERS Fall Conference.

Ms. Mannisto and Ms. Lightsey will act as Alternates.

MOTION #RHC-18-058

Motion by Lowenberg, supported by Zorn to approve the selection of Julius Maisano and Edward Gardella as Voting Delegates at the MAPERS 2018 Fall Conference, Acme, Michigan with L. Susan Mannisto and Shirley Lightsey as Alternates.

Motion carried.

PUBLIC COMMENTS

No member of the public was present.

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

MOTION #RHC-18-059

Motion by Mannisto, supported by Maisano to adjourn the Retiree Healthcare Benefits Plan & Trust Board of Trustees of July 31, 2018, at 6:55 p.m.

Motion carried.