

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

**Tuesday, September 21, 2016
Room #112 – Parks & Recreation Building
26000 Evergreen Road, Southfield, MI**

MEETING MINUTES

BOARD MEMBERS PRESENT: John Fisher, Chair; Duane Garth; Audrey Harvey; Coretta Houge; Jeannie Jackson (*Telephonically*); Shirley Lightsey; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; James Pierce; Shawn Wells

BOARD MEMBERS ABSENT: Frederick E. Zorn, Jr.

OTHERS PRESENT: Lauri Siskind, Human Resources Director; RHC Administrator Michael Holycross; Graystone Consulting- Morgan Stanley Michael VanOverbeke; VanOverbeke Michaud & Timmony P.C. Penelope Scharmberg, Administrative Assistant HR/LR; RHC Secretary

Chair Fisher called the meeting to order at 6:04 p.m.

AGENDA

Review and approval of the Agenda.

MOTION #RHC-16-037

Motion by Houge, supported by Jackson to approve the Agenda for this evening's meeting.
Motion carried.

MINUTES

Review and approve the Minutes of the Retiree Health Care Benefits Plan and Trust Board of Trustees Regular Meeting of May 10, 2016.

MOTION #RHC-16-038

Motion by Harvey, supported by Mannisto to approve the Minutes of the Retiree Health Care Benefits Plan and Trust Board of Trustees Regular Meeting of May 10, 2016.
Motion carried.

LEGAL REPORT

Mr. VanOverbeke suggested paying attention to the lame duck session. With eighteen days left, things are moving quickly.

FINANCIAL REPORT

The Board reviewed Financial Reports for the Retiree Healthcare Benefits Plan & Trust for the periods ending April 30, 2016 and May 31, 2016. The net assets as of the May date were \$59,755,222. Ms. Harvey brought attention to the variance in the financial reports which was not helpful. Mr. Pierce stated a budget could be adopted for the year; year to date estimated to year to date actual on a month to month basis. He would work with the accounting department to improve the financial reports.

MOTION #RHC-16-039

Motion by Houge, supported by Garth to receive and file the Retiree Healthcare Benefits Plan & Trust Financial Reports for the periods ending April 30, 2016 and May 31, 2016.
Motion carried.

CONTRIBUTION REFUNDS

Authorization to Refund Accumulated Contributions to Michelle Haggerson.

Ms. Haggerson terminated her employment on July 29, 2016, and requested a refund of her accumulated contributions from the Retiree Healthcare fund.

MOTION #RHC-16-040

Motion by Lowenberg, supported by Houge to approve a refund of accumulated Retiree Health Care contributions to Michelle Haggerson, distributed on August 2, 2016.
Motion carried.

FINANCIAL ITEMS

1. *Acknowledge receipt of Management Fee invoices.*

MOTION #RHC-16-041

Motion by Mannisto, supported by Houge to acknowledge receipt of the Management Fee invoices provided by Comerica Bank for the Health Mutual, Hamlin & WAM Accounts for period January 1, 2016 through March 31, 2016 and April 1, 2016 – June 30, 2016.
Motion carried.

2. *Review and approve quarterly management fee from Morgan Stanley/Graystone, for investment consulting services during the period July 1, 2016 – September 30, 2016 in the amount of \$3,750.00.*
MOTION #RHC-16-042
Motion by Mannisto, supported by Houge to approve payment of the invoice from Morgan Stanley/Graystone, for quarterly investment consulting services for the period July 1, 2016 – September 30, 2016, in the amount of \$3,750.00.
Motion carried.
3. *Review and approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period October 1, 2015 – December 31, 2015, in the amount of \$3,798.00.*
MOTION #RHC-16-043
Motion by Mannisto, supported by Houge to approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period October 1, 2015 – December 31, 2015, in the amount of \$3,798.00.
Motion carried.
4. *Review and approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period January 1, 2016 – March 31, 2016, in the amount of \$486.00.*
MOTION #RHC-16-044
Motion by Mannisto, supported by Houge to approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period January 1, 2016 – March 31, 2016, in the amount of \$486.00.
Motion carried.
5. *Review and approve payment to Clarkston Capital Partners for investment management services for the period April 1, 2016 – June 30, 2016, in the amount of \$9,810.00.*
MOTION #RHC-16-045
Motion by Mannisto, supported by Houge to approve payment to Clarkston Capital Partners for investment management services for the period April 1, 2016 – June 30, 2016, in the amount of \$9,810.00.
Motion carried.
6. *Review and approve payment to Hamlin Capital Management, LLC for investment management services for the period April 1, 2016 – June 30, 2016, in the amount of \$18,528.41.*
MOTION #RHC-16-046
Motion by Mannisto, supported by Houge to approve payment of the invoice from Hamlin Capital Management, LLC for investment management fees for the period April 1, 2016 – June 30, 2016, in the amount of \$18,528.41.
Motion carried.
7. *Review and approve reimbursement to Julius Maisano for expenses incurred during attendance at MAPERS Spring Conference, Soaring Eagle Resort Hotel, Mt. Pleasant, Michigan, May 21, 2016-May 24, 2016, in the amount of \$63.00.*
MOTION #RHC-16-047
Motion by Houge, supported by Mannisto to approve reimbursement to Julius Maisano for expenses incurred during attendance at MAPERS Spring Conference, Soaring Eagle Resort Hotel, Mt. Pleasant, Michigan, May 21, 2016-May 24, 2016, in the amount of \$63.00.
Motion carried.
8. *Review and approve expense report of Jeannie Jackson for expenses incurred during attendance at MAPERS Spring Conference, Soaring Eagle Resort Hotel, Mt. Pleasant, Michigan, May 21, 2016-May 24, 2016.*
MOTION #RHC-16-048
Motion by Houge, supported by Mannisto to approve expense report of Jeannie Jackson for expenses incurred during attendance at MAPERS Spring Conference, Soaring Eagle Resort Hotel, Mt. Pleasant, Michigan, May 21, 2016-May 24, 2016.
Motion carried.

9. *Review and approve reimbursement to Julius Maisano for expenses incurred during attendance at MAPERS Fall Conference, Grand Hotel, Mackinac Island, Michigan, September 17, 2016 – September 20, 2016, in the amount of \$375.04.*

MOTION #RHC-16-049

Motion by Houge, supported by Mannisto to approve reimbursement to Julius Maisano for expenses incurred during attendance at MAPERS Fall Conference, Grand Hotel, Mackinac Island, Michigan, September 17, 2016 – September 20, 2016, in the amount of \$375.04.
Motion carried.

10. *Review and approve MasterCard Platinum Business Rewards Credit Card activity.*

MOTION #RHC-16-050

Motion by Houge, supported by Mannisto to approve payment to MasterCard Platinum Business Rewards Credit Card for activity from April 6 2016 – September 6, 2016.
Motion carried.

INVESTMENT CONSULTANT REPORT

Quarterly Performance Report

Mr. Holycross discussed where we are in the current market cycle, outlook on US equities, and investor sentiment. Investor sentiment is very low but the strong supporting data and research is showing there is still room for growth in the equities market and they should continue to perform well provided economic data remains positive, which is why the overweight to equities in the portfolio remains.

The second quarter performance report, preliminary third quarter valuation, and a potential new investment opportunity were also discussed. The Total Fund was up +1.74% for the second quarter which was 21 basis points greater than the policy index. In the preliminary Q3 performance update, which was updated as of the close of business on September 19, 2016, the City of Southfield Retiree Healthcare fund was up +2.17% QTD bringing the total Fund's YTD performance to +5.46%. Performance has been solid across the board with the exception of Global Fixed Income which was significantly reduced in May 2016 due to the low yielding environment and negative interest rate policies put in place internationally. Graystone will continue to monitor the Templeton Global Fixed Income Fund on a regular basis, but performance overall for the Total Fund has been very strong.

Consultant Recommendations

Mr. Holycross had no changes to recommend for this quarter.

MOTION #RHC-16-051

Motion by Houge, supported by Mannisto to receive and file the Retiree Health Care Quarterly Performance Report as of 6/30/16, presented by Michael Holycross, Graystone Consulting/Morgan Stanley.
Motion carried.

PUBLIC COMMENTS

No member of the public wished to make comment.

OTHER MATTERS

1. *Comerica Security Lending.*

MOTION #RHC-16-052

Motion by Mannisto, supported by Houge to accept Goldman Sachs as the default money market fund of Comerica.
Motion carried.

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

MOTION #RHC-16-053

Motion by Lowenberg, supported by Mannisto to adjourn the Retiree Healthcare Benefits Plan & Trust Board of Trustees of September 21, 2016, at 7:05 p.m.
Motion carried.

*Approved this 14th day of December 2016
John Fisher, Chair
Retiree Health Care Benefits Plan & Trust Board of Trustees*