

**SOUTHFIELD RETIREE HEALTH CARE BENEFITS PLAN AND TRUST  
REGULAR MEETING – TUESDAY – SEPTEMBER 13, 2022  
COUNCIL STUDY – 3:30 p.m.**

**MINUTES**

Board Members Present: John Fisher, Chair; Duane Garth; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; Ron Miller; Brent Wilson; Fred Zorn

Board Members Absent: Karen Elly; Audrey Harvey; Donna Sanders

Others Present: Megan Battersby, Administrator/RHC; Frank Judd and Michael VanOverbeke (early exit), Legal Counsel/VMT; Erik Burger and Amy Cole and John Krakowiak, Investment Consultants/Graystone Consulting; Jeff Tebeau, Actuary/GRS; Josh Metz, KKR; David Lee and Steven Roth, Dahab Associates; Brian Green and Chris Kuhn and Steve Gordon, AndCo Consulting

The meeting was called to order by John Fisher at 3:35 p.m.

**APPROVAL OF AGENDA**

**MOTION #RHC-22-012**

Motion by Mannisto, supported by Miller, to approve Agenda, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, September 13, 2022, with amendments as presented. Motion Carried Unanimously

**APPROVAL OF MINUTES**

1. May 10, 2022 Regular Meeting Minutes

**MOTION #RHC-22-013**

Motion by Maisano, supported by Mannisto, to approve Meeting Minutes, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, May 10, 2022. Motion Carried Unanimously

**CONSENT AGENDA**

1. Informational Items
  - a. K. Elly Expense Report
  - b. Credit Card Statements (3)
  - c. Clarkston Capital Invoice
  - d. Ancora Invoice
  - e. Hamlin Invoice
  - f. Comerica Invoices
  - g. VMT memo Re: State of Michigan Budget 2022

**MOTION #RHC-22-014**

Motion by Mannisto, supported by Maisano, to acknowledge and receive informational items as presented. Motion Carried Unanimously

2. Refund of Contributions
  - a. M. Colyer

**MOTION #RHC-22-015**

Motion by Mannisto, supported by Wilson, to approve refund of contributions to M. Colyer. Motion Carried Unanimously

3. Approval of Bills and Expenses
  - a. Invoice from GRS for actuarial valuation as of June 30, 2021 for the Retiree Health Care Benefits Plan and Trust in the amount of \$26,750.00
  - b. Fiduciary Liability Insurance Premium Allocation for 2021-2022 fiscal year in the amount of \$11,391.30
  - c. Invoice from VanOverbeke Michaud & Timmony for legal services rendered for the period 10/01/2021 thru 12/31/2021 in the amount of \$1,240.00
  - d. Invoice from VanOverbeke Michaud & Timmony for legal services rendered for the period 01/01/2022 thru 06/30/2022 in the amount of \$2,860.00
  - e. Invoice from Morgan Stanley for investment consulting services for the period 01/01/2022 – 06/30/2022 in the amount of \$52,192.03

**MOTION #RHC-22-016**

Motion by Mannisto, supported by Zorn, to approve payment of invoices as presented. Motion Carried Unanimously

**NEW BUSINESS**

1. June 30, 2021 Actuarial Valuation

Actuary presented the June 30, 2021 actuarial valuation to the Board. He discussed the Executive Summary and the contribution funding results applicable for the fiscal years ending June 30, 2023 and June 30, 2024.

**MOTION #RHC-22-017**

Motion by Mannisto, supported by Miller, to acknowledge receipt of the City of Southfield Retiree Health Care Benefits Plan and Trust Actuarial Valuation Report as of June 30, 2021 and direct that a copy be sent to the city. Motion Carried Unanimously

Michael VanOverbeke exited the meeting.

## **INVESTMENT CONSULTANT REPORT**

1. Quarterly Review
2. KKR presentation
3. Other matters deemed pertinent

Investment Consultants presented the quarterly review as of June 30, 2022 to the Board. Total fund performance for the quarter of -6.39% and individual fund performances were reviewed. Asset allocation was reviewed. The plan was shown to be in compliance with PA 314.

Investment Consultant along with a representative from KKR presented an overview of Next Generation Technology Growth Fund III Private investors Onshore/Offshore B Fund. The current opportunity set targeted by the fund is enterprise software/SAAS, cyber security, FinTech, internet, and data and information services. Summary of terms were reviewed and discussed.

## **OLD BUSINESS**

1. Investment Consultant RFP Interviews: Dahab 4:00; AndCo 4:30; Morgan Stanley 5:00

As the result of a Request for Proposal for investment consulting services, three firms were invited to present to the Board. Dahab Associates, AndCo Consulting, and Graystone Consulting provided firm overviews and capabilities and fielded questions from trustees.

## **LEGAL COUNSEL REPORT**

1. Matters deemed pertinent

Legal Counsel did not have a formal report for the Board.

## **PUBLIC/TRUSTEE COMMENTS**

The Board discussed the investment consultant presentations and the merits of each firm including size, resources, and cost. Concern was voiced as to whether the RHC Plan should consider one consulting firm to oversee investments for all three City of Southfield retirement systems and retiree health care plans.

### **MOTION #RHC-22-018**

Motion by Maisano, supported by Wilson, to take a vote of all Trustees and their choice for investment consultant. Motion Carried Unanimously

The result of the vote taken was four votes for AndCo and four votes for Graystone.

### **MOTION #RHC-22-019**

Motion by Zorn, supported by Mannisto, to retain Graystone Consulting as investment Consultant to the RHC Plan. Motion Carried by Fisher, Garth, Lowenberg, Mannisto and Zorn, with no votes by Maisano, Miller and Wilson.

**MOTION #RHC-22-020**

Motion by Zorn, supported by Garth, to approve a \$4 million allocation to KKR Next Generation Technology Growth Fund III Private investors Onshore/Offshore B Fund per the recommendation of Investment Consultant and subject to legal review. Motion Carried, Mannisto Abstained

There being no further business to come before the Board, the meeting was adjourned at 8:15 p.m.

Prepared by Megan Battersby, Administrator

Approved by Board Motion on December 13, 2022