

**SOUTHFIELD RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
REGULAR MEETING – TUESDAY – FEBRUARY 7, 2023
COUNCIL STUDY – 3:00 p.m.**

MINUTES

Board Members Present: John Fisher, Chair; Karen Elly; Audrey Harvey; Irv Lowenberg; L. Susan Mannisto; Ron Miller; Brent Wilson

Board Members Absent: Duane Garth; Julius Maisano; Donna Sanders; Fred Zorn, Ari Gelberman/Alternate

Others Present: Megan Battersby, Administrator/RHC; Michael VanOverbeke, Legal Counsel/VMT; Erik Burger and Amy Cole, Investment Consultants/Graystone Consulting; Derek Schwartz (via phone)/CION|Ares; Chris DeMario/Carlyle; Dan McCulloch (in person) and Clark Koury (via phone)/Oaktree

The meeting was called to order by John Fisher at 3:10 p.m.

APPROVAL OF AGENDA

MOTION #RHC-23-001

Motion by Mannisto, supported by Wilson, to approve Agenda, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, February 7, 2023, as presented.
Motion Carried Unanimously

APPROVAL OF MINUTES

1. December 13, 2022 Regular Meeting Minutes

MOTION #RHC-23-002

Motion by Harvey, supported by Wilson, to approve Meeting Minutes, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, December 13, 2022.
Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. Clarkston Capital Invoice
 - b. Credit Card Statement
 - c. Ancora Invoice
 - d. Hamlin Invoice
 - e. Comerica Invoices

MOTION #RHC-23-003

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

2. Refund of Contributions
 - a. None

3. Approval of Bills and Expenses
 - a. None

NEW BUSINESS

1. None

OLD BUSINESS

1. None

LEGAL COUNSEL REPORT

1. Matters deemed pertinent

Legal Counsel did not have a formal report for the Board but mentioned that he expects that pension tax elimination or relief will be forthcoming soon.

MOTION #RHC-23-004

Motion by Wilson, supported by Miller, to receive and file Legal Report. Motion Carried Unanimously

INVESTMENT CONSULTANT REPORT

1. Memo recommending KKR investment
2. Private credit manager search
3. Other matters deemed pertinent

Investment Consultant discussed memo regarding KKR Next Generation Technology Growth Fund III and their rationale and recommendation for a \$4 million investment in the fund.

MOTION #RHC-23-005

Motion by Elly, supported by Mannisto, to receive and file memorandum from Graystone Consulting regarding KKR Next Generation Technology Growth Fund III dated December 13, 2022. Motion Carried Unanimously

Three firms, Ares and Carlyle and Oaktree, presented on their private credit products. Discussion of the private lending platform, pros and cons of this alternative lending opportunity, and each presenting firm ensued.

MOTION #RHC-23-006

Motion by Lowenberg, supported by Mannisto, to approve a \$5 mill commitment to Oaktree Strategic Credit Fund and a \$2 mill commitment to Carlyle Tactical Private Credit Fund, subject to legal review. Motion Carried Unanimously

Current asset allocation and rebalancing recommendations were discussed.

MOTION #RHC-23-007

Motion by Mannisto, supported by Lowenberg, to approve portfolio rebalancing as follows: Move \$1 mill from Kopernik Global All Cap Fund, \$5.5 mill from JPM Strategic Income Fund, \$1.5 mill from Abbey ACL Fund, \$1.5 mill from Graham Absolute Return Fund, and \$3,875,993 from Corbin Capital Hedge Fund; Reallocate \$5 mill to Loomis Sayles Investment Grade Bond Fund, \$5 mill to Oaktree Strategic Credit Fund, \$2 mill to Carlyle Tactical Private Credit Fund, and \$1,375,993 to Cash Account. Motion Carried Unanimously

PUBLIC/TRUSTEE COMMENTS

No comments were made.

There being no further business to come before the Board, the meeting was adjourned at 6:00 p.m.

Prepared by Megan Battersby, Administrator

Approved by Board Motion on March 14, 2023