

**SOUTHFIELD RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
REGULAR MEETING – TUESDAY – SEPTEMBER 19, 2023
COUNCIL STUDY – 3:00 p.m.**

MINUTES

Board Members Present: John Fisher, Chair; Karen Elly; Duane Garth; Audrey Harvey; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; Ron Miller; Donna Sanders; Brent Wilson

Board Members Absent: 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

The meeting was called to order by Chairman Fisher at 3:07 p.m.

APPROVAL OF AGENDA

MOTION #RHC-23-021

Motion by Harvey, supported by Wilson, to approve Agenda, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, September 19, 2023, as presented. Motion Carried Unanimously

APPROVAL OF MINUTES

1. May 16, 2023 Regular Meeting Minutes

MOTION #RHC-23-022

Motion by Garth, supported by Wilson, to approve Meeting Minutes, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Tuesday, May 16, 2023. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. Comerica invoices
 - b. GRS fee letter
 - c. Credit Card statements
 - d. Morgan Stanley Q1 2023 invoice
 - e. Clarkston invoice
 - f. Hamlin invoice
 - g. Ancora invoice
 - h. Morgan Stanley Q2 2023 invoice

MOTION #RHC-23-023

Motion by Harvey, 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. Expense report from K. Elly for MAPERS 2023 Fall Conference

MOTION #RHC-23-024

Motion by Wilson, supported by Mannisto, to approve payment of expense report from K. Elly for MAPERS 2023 Fall Conference. Motion Carried Unanimously

NEW BUSINESS

1. Credit card payment issues
2. RFP for custodial services

Administrator outlined for the Board the problems that have been encountered with the credit card including payments made by Comerica not being received and the assessment of late fees and interest charges. Comerica is working to determine why payments were not received and will cover all fees that were assessed. Administrator is asking for authorization to instruct Comerica to pay the balance due immediately via wire transfer.

MOTION #RHC-23-025

Motion by Mannisto, supported by Lowenberg, to direct Administrator to instruct Comerica to pay the RHC credit card balance immediately via wire transfer. Motion Carried Unanimously

The Board discussed whether an RFP for custodial services should be issue because of the continuing difficulty being experiences in getting timely and correct account statements and reports and problems being encountered in general.

MOTION #RHC-23-026

Motion by Lowenberg, supported by Mannisto, to direct Legal Counsel to coordinate the issuance of an RFP for Custodial Services. Motion Carried Unanimously

OLD BUSINESS

1. Past healthcare costs breakdown

The Board discussed that no information as requested has been received to date. As fiduciaries, they are responsible for the assets in the Plan and Trust, and they need to ensure that Act 345 funds are not being used for general employees. They discussed sending a demand for information letter to the City Administrator and that Irv Lowenberg would try to facilitate a meeting with the City Administrator before the next Board meeting.

MOTION #RHC-23-027

Motion by Miller, supported by Garth, to direct that correspondence be sent to City Administrator with HR Director copied acknowledging the long-term, ongoing request for separation of expenditures of RHC dollars between F&P and SERS and that if the Board cannot get the breakdown information requested within 60 days of the letter date, the Board will act at its next scheduled meeting to suspend reimbursement payments to the City that are currently being paid. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Vintage IX B Offshore SCSp Compliance Letter
2. Oaktree Strategic Credit Fund Compliance Letter
3. Other matters deemed pertinent

Legal Counsel reviewed the compliance letters from his firm for the two new investment funds.

MOTION #RHC-23-028

Motion by Harvey, supported by Sanders, to receive and file letter from Legal Counsel dated May 23, 2023 Re: Vintage IX B Offshore SCSp Compliance with Public Employees Retirement System Investment Act. Motion Carried Unanimously

MOTION #RHC-23-029

Motion by Wilson, supported by Miller, to receive and file letter from Legal Counsel dated June 28, 2023 Re: Oaktree Strategic Credit Fund Compliance with Public Employees Retirement System Investment Act. Motion Carried Unanimously

MOTION #RHC-23-030

Motion by Harvey, supported by Mannisto, to receive and file memorandums from Investment Consultant dated May 30, 2023 regarding Goldman Sachs Vintage IX and dated February 7, 2023 regarding Oaktree Strategic Credit Fund. Motion Carried Unanimously

INVESTMENT CONSULTANT REPORT

1. Quarterly Investment Report as of June 30, 2023
2. Memorandum re: Goldman Sachs Vintage IX
3. Memorandum re: Oaktree Strategic Credit Fund
4. Other matters deemed pertinent

Investment Consultant presented market commentary for the quarter as well as the quarterly review as of September 30, 2023 to the Board. Total fund performance for the quarter of 2.17% and individual fund performances were reviewed. Discussion ensued centered around fixed income.

Investment Consultant recommended an All Cap Value search. They presented various firms for consideration and the Board decided to hire DeRoy & Devereaux

Asset allocation/rebalance was reviewed and Investment Consultant recommended a rebalance plan.

MOTION #RHC-23-031

Motion by Wilson, supported by Maisano, to hire DeRoy & Devereaux upon Legal Counsel review and to reallocate funds as follows: FROM Hamlin (\$2,000,000.00), Euro Pacific Growth (\$6,871,857.00), Vanguard Emerging Markets (\$3,761,058.00), Clarkston (\$12,083,089.00), and Kopernik (\$9,800,387.00); TO Vanguard Total Stock \$5,000,000.00, Ancora \$750,000.00, Vanguard All World \$15,000,000.00, Cash \$2,766,391.00, and Deroy& Devereaux \$11,000,000.00. 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 5:00 p.m.

Prepared by Megan Battersby, Administrator

Approved by Board Motion on November 14, 2023