

**SOUTHFIELD RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
REGULAR MEETING – WEDNESDAY – SEPTEMBER 9, 2020
VIA TELECONFERENCE – 5:30 p.m.**

MINUTES

Board Members Present: John Fisher, Chair; Ed Gardella; Duane Garth (late arrival); Audrey Harvey (late arrival); Shirley Lightsey; Irv Lowenberg; Julius Maisano; L. Susan Mannisto; Ron Miller; Donna Sanders (alternate); Brent Wilson (late arrival); Fred Zorn

Board Members Absent:

Others Present: Megan Battersby, Administrator/RHC; Michael VanOverbeke and Frank Judd, Legal Counsel/VMT; William Messner and Erik Burger and Amy Cole, Investment Consultants/Graystone Consulting

The meeting was called to order by John Fisher at 5:34 p.m.

APPROVAL OF AGENDA

MOTION #RHC-20-033

Motion by Zorn, supported by Lightsey, to approve Agenda, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Wednesday, September 9, 2020. Motion Carried Unanimously

APPROVAL OF MINUTES

1. May 13, 2020 Regular Meeting Minutes

MOTION #RHC-20-034

Motion by Gardella, supported by Maisano, to approve Meeting Minutes, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Wednesday, May 13, 2020. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. None
2. Refund of Contributions
 - a. N. Messina
3. Approval of Bills and Expenses
 - a. Invoice from Ancora for asset management services for the period 10/1/2019 through 12/31/2019 in the amount of \$16,173.41

- b. Invoice from Ancora for asset management services for the period 1/1/2020 through 3/31/2020 in the amount of \$11,146.74
- c. Invoice from Clarkston Capital for asset management services for the period 4/1/2020 through 6/30/2020 in the amount of \$16,058.00
- d. Invoice from GRS for actuarial valuation as of June 30, 2019 in the amount of \$29,000.00
- e. Invoice from VanOverbeke, Michaud & Timmony for legal services rendered for the period 01/01/2020 through 03/31/2020 in the amount of \$4,226.70

MOTION #RHC-20-035

Motion by Fisher, supported by Mannisto, to approve Consent Agenda as presented.

Motion Carried Unanimously

Audrey Harvey entered the meeting.

Brent Wilson entered the meeting.

Duane Garth entered the meeting.

LEGAL COUNSEL REPORT

- 1. Administrator Contract
- 2. Matters deemed pertinent

Legal Counsel Report was moved before Investment Consultant Report. Legal Counsel discussed the hiring of an Administrator to replace Penny Scharmberg who retired May 30. At the May 13 meeting, John Fisher and Julius Maisano were tasked with the job of exploring whether it was viable for Megan Battersby, current Administrator for F&P and SERS, to assume RHC responsibilities, too. An agreement was reached and a draft contract has been prepared. Legal Counsel recommended to the Board that they authorize the Administrator contract which provides for employment at the rate of \$250/month to be paid through the SERS payroll service and reimbursed by RHC monthly so that SERS is never required to assume the obligation of payment before reimbursement.

MOTION #RHC-20-036

Motion by Gardella, supported by Mannisto, to approve Administrator contract effective June 1, 2020 and the monthly transfer of funds from RHC to SERS to cover monthly payroll cost. Motion Carried Unanimously

Legal Counsel briefly outlined the provisions of a memo from his office regarding Election Policies and Procedures dated September 2, 2020 which was intended to be provided under Informational Items but was missing. The memo was provided to SERS at their September meeting and will be sent to all non-SERS Board members by the Administrator.

INVESTMENT CONSULTANT REPORT

- 1. Quarterly Investment Performance Report
- 2. Matters deemed pertinent

Investment Consultants presented Executive Overview, 2nd Quarter 2020 to the Board. They reviewed the economic conditions during the quarter and capital and world markets performance. Portfolio performance was 10.73% for the quarter. Asset allocation breakdown was discussed and individual manager performance was reviewed. PA 314 update as of March 31, 2020 illustrating fund compliance was reviewed. Asset rebalancing was recommended. Funding protocol for illiquid alternative investments was outlined and the termination of Templeton Global Bond Fund was recommended.

MOTION #RHC-20-037

Motion by Mannisto, supported by Gardella, to approve Investment Consultants recommendation to terminate Templeton Global Bond Fund and rebalance the portfolio using all proceeds from Templeton Global Bond Fund, \$2.1 mill from Europacific Growth Fund, and the remainder from Cash Account to reallocate as follows: \$1 mill to Vanguard Total Stock Market ETF; \$500,000 to Ancora Sm/Mid Fund; \$3.25 mill to Kopernik Global All Cap Fund; \$3 mill to Loomis Sayles Investment Grade Bond Fund; \$200,000 to JPM Strategic Income Fund; \$300,000 to Abbey ACL Fund. Motion Carried Unanimously

ADMINISTRATOR REPORT

1. Comerica Authorized List
2. Credit Card
3. Matters deemed pertinent

Administrator suggested that the Board consider adding her as a signer to the Comerica Authorized List because of the frequency of capital calls.

MOTION #RHC-20-038

Motion by Mannisto, supported by Fisher, to add Administrator as signer to Comerica Authorized List. Motion Carried Unanimously

Administrator informed the Board that the prior RHC credit card had been terminated in May 2020. She asked if the Board would like her to pursue establishing a new card and was told to proceed through Comerica.

NEW BUSINESS

1. Final Actuarial Valuation as of June 30, 2019

MOTION #RHC-20-039

Motion by Fisher, supported by Mannisto, to approve the City of Southfield Retiree Health Care Benefits Plan and Trust Actuarial Valuation Report as of June 30, 2019 as presented. Motion Carried Unanimously

OLD BUSINESS

1. None

PUBLIC COMMENT

No comments were made.

There being no further business to come before the Board, the meeting was adjourned at 6:57 p.m.

Prepared by Megan Battersby, Administrator

Approved by Board Motion on December 8, 2020