

**SOUTHFIELD RETIREE HEALTH CARE BENEFITS PLAN AND TRUST
REGULAR MEETING – WEDNESDAY – DECEMBER 8, 2020
VIA TELECONFERENCE – 5:30 p.m.**

MINUTES

Board Members Present: John Fisher, Chair, Oscoda County, MI; Ed Gardella, Wayne County, MI; Audrey Harvey, Oakland County, MI; Irv Lowenberg, Oakland County, MI; Julius Maisano, Oakland County, MI; L. Susan Mannisto, Oakland County, MI; Ron Miller, Oakland County, MI; Donna Sanders, Oakland County, MI; Brent Wilson, Oakland County, MI; Fred Zorn, Oakland County, MI

Board Members Absent: Duane Garth

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

The meeting was called to order by John Fisher at 5:35 p.m.

APPROVAL OF AGENDA

MOTION #RHC-20-040

Motion by Zorn, supported by Gardella, to approve Agenda, Southfield Retiree Health Care Benefits Plan and Trust, Regular Meeting, Wednesday, December 8, 2020. Motion Carried Unanimously

APPROVAL OF MINUTES

1. September 9, 2020 Regular Meeting Minutes

MOTION #RHC-20-041

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

CONSENT AGENDA

1. Informational Items
 - a. FOIA Response Dated September 14, 2020
2. Refund of Contributions
 - a. None

3. Approval of Bills and Expenses
 - a. Invoice from Ancora for asset management services for the period 4/1/2020 through 6/30/2020 in the amount of \$13,098.10
 - b. Invoice from Ancora for asset management services for the period 7/1/2020 through 9/30/2020 in the amount of \$13,848.83
 - c. Invoice from VanOverbeke, Michaud & Timmony for legal services rendered for the period 04/01/2020 through 06/30/2020 in the amount of \$849.20
 - d. Invoice from Clarkston Capital for asset management services for the period 7/1/2020 through 9/30/2020 in the amount of \$16,819.00
 - e. Invoice from Morgan Stanley for investment advisory fee for the period 04/01/2020 – 06/30/2020 in the amount of \$17,452.49 and for the period 07/01/2020 – 09/30/2020 in the amount of \$17,541.03
 - f. Invoice from Hamlin Capital Management for asset management services for the period July 1, 2020 through September 30, 2020 in the amount of \$13,322.51
 - g. Invoice from GRS for GASB Statement Nos. 74 and No. 75 Plan Reporting and Accounting Schedules as of June 30, 2020 plus PA 202 Disclosures in the total amount of \$16,100.00, *acknowledging that City will pay \$3,000 for GASB Statement No. 75 Accounting Schedules and \$1,100 for calculation of required disclosures under Michigan PA 202*
 - h. 2021 MAPERS membership renewal in the amount of \$200.00

MOTION #RHC-20-042

Motion by Zorn, supported by Lowenberg, to approve Consent Agenda as presented.
Motion Carried Unanimously

INVESTMENT CONSULTANT REPORT

1. Executive Overview, 3rd Quarter 2020
2. Matters deemed pertinent

Investment Consultants presented Executive Overview, 3rd Quarter 2020 to the Board. They reviewed year-to-date equity performance and index returns. Portfolio performance was 3.99% for the quarter. Asset allocation breakdown was discussed and individual manager performance was reviewed. Asset reallocation to Interim Target Allocation as presented by Investment Consultant was recommended.

MOTION #RHC-20-043

Motion by Zorn, supported by Gardella, to approve recommendation of Investment Consultants to rebalance the portfolio using proceeds of \$11,786 from Templeton Global Bond Fund and \$3,938,214 from Cash Account to reallocate as follows: \$350,000 to Vanguard Total Stock Market ETF Fund; \$900,000 to Kopernik Global All Cap Fund; \$1,300,000 to Loomis Sayles Investment Grade Bond Fund; \$700,000 to JPM Strategic Income Fund; \$500,000 to Abbey ACL Fund; \$200,000 to Graham Absolute Return Fund.
Motion Carried Unanimously

Investment Consultant presented Custody Analysis to the Board which compared the current cost structure to a Morgan Stanley custody scenario. They indicated that significant cost savings could be achieved by transferring custody services from Comerica to Morgan Stanley. Trustees asked Investment Consultants to include Northern Trust in the comparison for the Board to consider at the next meeting and asked Administrator to verify Comerica fees.

LEGAL COUNSEL REPORT

1. Matters deemed pertinent

Legal Counsel did not have any formal comments for the Board.

ADMINISTRATOR REPORT

1. Credit Card

Administrator informed the Board that a credit card has been obtained for the Retiree Health Care Benefits plan and Trust through Comerica.

NEW BUSINESS

1. Approve 2021 Meeting Schedule
2. Draft GASB Statement Nos. 74 and 75 Financial Reporting as of June 30, 2020

MOTION #RHC-20-044

Motion by Fisher, supported by Gardella, to acknowledge and approve 2021 meeting dates on Tuesdays at 3:30 p.m. as follows: March 9, May 11, September 14, and December 7.
Motion Carried Unanimously

MOTION #RHC-20-045

Motion by Mannisto, supported by Maisano, to approve and acknowledge receipt of City of Southfield Retiree Health Care Benefits Plan and Trust GASB Statement Nos. 74 and 75 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans as of June 30, 2020 from the Plan and Trust's actuary, GRS Consulting, and direct that copies be provided to City Administrator, City HR Director, and City Fiscal Services Director.
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 6:45 p.m.

Prepared by Megan Battersby, Administrator

Approved by Board Motion on March 9, 2021