



CITY OF ROYAL OAK RETIREE HEALTH CARE INVESTMENT BOARD MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES

A meeting of the Retiree Health Care Investment Board of Trustees was conducted remotely via Zoom, on Thursday September 10, 2020 at 8:30 a.m.

The meeting was called to order at 8:18 a.m.

Attendance / Roll Call

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kyle DuBuc- Trustee
Paul Brake – Trustee

ALSO PRESENT: Julie Rudd - Bd Chief Administrative Officer/ Bd Secretary/Bd Treasurer
Lisa Genord- Administrative Assistant / Pension Technician
Tom Michaud – Bd attorney with VanOverbeke Michaud and Timmony
Brian Green – AndCo Investment Advisor

A moment of silence was observed by the committee to acknowledge the passing of Kim Gibbs, former Retiree Health Care Investment Board Trustee and City Commissioner.

Public Comment

Members of the public could have participated in the meeting electronically by providing public comment on any trust-related matter, whether on the agenda or not, by leaving a recorded comment at 248-246-3411 between the hours of 7:00 and 8:00 p.m. on Wednesday, September 9, 2020. Recorded comments would have been played for the retirement board during the public comment portion of the agenda. There were no public comments.

Board approval of the agenda for September 10, 2020 meeting

Moved by Lee Collick to approve the September 10, 2020 meeting agenda

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

Board approval of the draft minutes for August 7, 2020 meeting

Moved by Lee Collick to approve the August 7, 2020 meeting minutes

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

INVESTMENTS

Investment performance review as of August 31, 2020 presented by Brian Green of AndCo.

Market value/allocation of assets as of August 31, 2020 is \$135,597,993.

Current month – total portfolio underperformed the benchmark: 3.37% vs. 4.25% index.

3-month performance – total portfolio underperformed the benchmark: 8.51% vs. 10.53% index.

Year-to date performance – total portfolio underperformed the benchmark: 2.11% vs. 5.86% index.

1-year performance – total portfolio underperformed the benchmark: 9.03% vs. 13.94% index.

3-year performance – total portfolio underperformed the benchmark: 6.11% vs. 8.66% index.

Brian reported that the month of August was a continued success from a market standpoint, and that sector returns were dominated by big mega-tech stocks, such as Amazon. Brian reviewed the Schedule of Investable Assets chart on page 1 of the presentation booklet, which reflects a 5.96% return on the city's investment portfolio from its inception. Lee Collick asked Brian if he was comfortable about where the city's portfolio was at, and Brian stated that he was displeased with the portfolio's relative performance and specifically with Seizert and Ancora. Brian reported that he / AndCo had virtual visits with Seizert and Ancora and is confident in the changes that those fund managers are making. Brian also stated that he was happy with the positioning of the portfolio, but not with the current reported numbers, and hopes to see improvements in the next 3 to 6 months in the portfolio's performance. Lee Collick requested that Brian / AndCo continue to closely monitor the portfolio to ensure that all potential opportunities to improve the portfolio performance are considered. Kyle DuBuc asked if, with the upcoming presidential election, how Brian feels the market will react and what the impact could be on the city's portfolio. Brian stated that in the short-term, there will be market volatility, but that it will smooth out over a 2 – 4-week period after the election. Brian stated that he will provide the trustees with some historical data / charts outlining market returns during prior presidential election years.

The complete AndCo Investment Performance Review report dated August 31, 2020 is on file in Finance Office.

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II Fund Review 2Q 2020

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II LP Consolidated Financial Statements

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

PGIM Real Estate Prisa II UHC, LP Consolidated Financial Statements

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

LEGAL

VanOverbeke, Michaud, & Timmony, P.C. Memo re: Trustee Election Policies and Procedures, dated September 2, 2020.

Tom Michaud, retiree health care investment board attorney, discussed the above memo in an effort to remind the retiree health care investment board to review and discuss trustee election policies and procedures well in advance of when they will be held and in light of the COVID-19 pandemic social distancing restrictions. Tom stated that the trustee policies and procedures do not necessarily need to be changed and no action is needed at this time.

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0

OTHER

Julie Rudd proposed that the retiree health care investment board change the date of the monthly retiree health care investment board meetings from the first Monday of each month, to either the second or third Friday of each month, to allow ample time for the retiree health care investment board investment advisor to compile the prior month's financials and present them at the following month's board meeting. The board discussed this matter and decided to change the future retiree health care investment board meeting dates to the third Friday of each month, beginning in October 2020.

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30 a.m. on Friday, October 16, 2020 remotely via Zoom.

Moved by Lee Collick to adjourn the meeting (8:41 a.m.) and confirm next meeting for October 16, 2020 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 4/0