



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 in the city hall conference room 309, Royal Oak MI, Monday, February 3, 2020 at 8:30 a.m.

The meeting was called to order at 9:17 a.m.

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kim Gibbs- Trustee
Kyle DuBuc- Trustee
David Gillam – 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

Public Comment

None

Board approval of the agenda for February 3, 2020 meeting

*Moved by Kim Gibbs to approve the February 3, 2020 meeting agenda
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0*

Board approval of the draft minutes for January 6, 2020 meeting

*Moved by Dave Gillam to approve the January 6, 2020 meeting minutes
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0*

INVESTMENTS

Investment performance review (preliminary) as of January 31, 2020 presented by Brian Green of AndCo.

Market value/allocation of assets as of January 31, 2020 is \$135,967,413.

Current month – total portfolio underperformed the benchmark: -0.79% vs. – 0.65% index.

Trailing 3-month performance – total portfolio underperformed the benchmark: 3.07% vs. 3.65% index.

Trailing 1-year performance – total portfolio outperformed the benchmark: 12.33% vs. 12.25% index.

Brian reported that 2019 finished on a strong note, and that the first 30 days of January were also very good. Brian provided a summary of the annual Bank of America Fund Manager Survey outlining the evolution of the “biggest tail risk” as reported by fund managers of professional investment companies from 2011 – 2019. Brian reviewed the historical data and stated that the reported “biggest tail risk” in 2019 were the trade wars, and he foresees that the coronavirus will be the “biggest tail risk” in 2020. Brian reported that 2020 is still expected to be a good year and that historically, election years lead to a positive equity market. Brian will discuss with the board at the March or April meeting a proposal to reposition our fixed income investments.

The complete AndCo (Preliminary) Investment Performance Review report dated January 31, 2020 is on file in Finance Office.

Moved by Bret Nelson to receive and file
Supported by Dave Gillam
MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate Asset & Investment Report 4Q2019
Moved by Bret Nelson to receive and file
Supported by Dave Gillam
MOTION ADOPTED UNANIMOUSLY 5/0

PGIM Real Estate - Prisa II Flash Report 4Q2019
Moved by Bret Nelson to receive and file
Supported by Dave Gillam
MOTION ADOPTED UNANIMOUSLY 5/0

Seizert Capital Partners (SCP) Report 4Q2019
Moved by Bret Nelson to receive and file
Supported by Dave Gillam
MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL

None

OTHER

In accordance with Advisor and Consultant Review policy, the board discussed issuing an RFI for legal consultant services. The board currently retains the legal services of Tom Michaud of VanOverbeke, Michaud, & Timmony. Julie Rudd provided the board with the current annual fee structure for Tom Michaud's services and Dave Gillam stated that the fee structure is very reasonable.

Moved by Lee Collick to not issue a RFI for legal services, and to continue to retain Tom Michaud of VanOverbeke, Michaud, & Timmony.

Supported by Dave Gillam

MOTION ADOPTED UNANIMOUSLY 5/0

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30am on Wednesday, March 11, 2020 at city hall room 309.

Moved by Lee Collick to adjourn the meeting (9:24 a.m.) and confirm next meeting for March 11, 2020 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0