



## 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 at the City Hall building in conference room # 122 on Friday May 20, 2022, at 8:30 a.m.

The meeting was called to order at 8:28 a.m.

### Attendance

PRESENT: Lee Collick – Chairperson  
Bret Nelson, Vice Chairperson  
Kyle DuBuc - Trustee  
Monica Hunt – Trustee  
Bret Nelson - Trustee

ALSO PRESENT: Julie Rudd – Fiscal Manager (Director of Finance – retired)  
Lisa Genord – Financial Analyst / Pension Technician  
Tom Michaud – Bd Attorney with VanOverbeke, Michaud, & Timmony  
Brian Green – Investment Advisor with AndCo  
Joe Carter – Client Solutions Specialist with AndCo

### Public Comment

There were no public attendees / comments.

### Board approval of the agenda for the May 20, 2022, meeting

*Moved by Lee Collick to approve the agenda for the May 20, 2022 meeting*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

### Board approval of the draft minutes for the April 22, 2022 meeting

*Moved by Lee Collick to approve the draft minutes for the April 22, 2022 meeting*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

### INVESTMENTS

Investment performance review presented by Brian Green of AndCo.

Market value/allocation of assets as of April 30, 2022, is \$145,418,238.

Current month – total portfolio outperformed the benchmark: -5.27% vs. -5.95% index.

3-month performance – total portfolio outperformed the benchmark: -5.50% vs. -5.61% index.

Year-to date performance – total portfolio outperformed the benchmark: -8.38% vs. -9.61% index.

1-year performance – total portfolio outperformed the benchmark: -1.53% vs. -3.04% index.

3-year performance – total portfolio outperformed the benchmark: 8.17% vs. 8.14% index.

5-year performance – total portfolio underperformed the benchmark: 7.07% vs. 7.58% index.

Inception – total portfolio underperformed the benchmark: 7.03% vs. 7.53% index.

Brian reported that there continues be negative market returns and ongoing market volatility on a day-to-day basis. Brian reported that despite the negative returns in the city’s portfolio, the returns are less negative than the indices as a result of specific strategies within the equity portfolio – Seizert, Reinhart, First Eagle and Goldman Sachs – that on a year-to-date basis, are outperforming the policy index. Brian reported that the city’s real estate Prisa II fund has yielded just under an 8% return for the first quarter

of 2022 and has realized a 50% increase in value since its inception in January 2018. Brian also provided the board with a brief overview of the trending returns as of 5/19/2022 across several market indices. Brian also provided a summary report as of 4/30/2022 outlining AndCo's performance, in order to discuss the annual advisor and consultant review agenda topic as listed below under "Other". Brian provided a summary of the city's portfolio relative to three performance standards: 1) "Meet / Exceed Policy Index on a rolling 3 and 5-year basis, 2) "Rank above 50<sup>th</sup> percentile on a rolling 3 and 5-year basis" and, 3) "Meet / exceed assumed rate of return". Brian stated that in the last 12 months (April 2021 – April 2022) that the portfolio is -1.53%, while the benchmark / index is -3.00%. Brian also reported that the median public fund around the country is -4.70% for this same time period. Brian also stated that the city's portfolio has outperformed 92% of its peers around the country for the same time period.

The complete AndCo Investment Performance Review report dated April 30, 2022 is on file in Finance office.

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

AndCo ADV Part 2A Disclosure Brochure dated March 29, 2022

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

AndCo Privacy Notice 2022

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

Request to update authorized signors on behalf of the retiree health care trust - Certificate of Resolution for Authorization to Sign Agreements with Fifth Third Bank, N.A. (carried forward from March 25, 2022 meeting)

Brian reported that currently he is the only AndCo employee authorized to make allocation changes within the city's portfolio. Brian requested to update the authorized signors on behalf of the retiree health care trust, to allow for his supervisors to make allocation changes to the city's portfolio in his absence.

*Moved by Lee Collick to update the authorized signors on behalf of the retiree health care trust.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

PGIM Real Estate Prisa II LP Detailed Management Fee Report For Quarter Ending March 31, 2022

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

PGIM Real Estate Prisa II LP Investor Statement 1Q 2022

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

PGIM Real Estate Prisa II Performance Report 1Q 2022

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

TerraCap Partners V (Institutional) LP – Executed Subscription Agreement

*Moved by Lee Collick to receive and file.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

## **LEGAL**

None

## **OTHER**

Annual advisor and consultant review – In accordance with Board policy, each year compare one existing advisors/consultants is reviewed along with prospective advisors/consultants. At the May 21, 2021 meeting the following resolution was passed: “Moved by Lee Collick to retain Brian Green with AndCo as the retiree health care investment advisor for another year and reevaluate AndCo’s performance relative to the investment policy guidelines and indices at that time, in May 2022.

Brian Green discussed AndCo’s performance under “Investments” (see above).

*Moved by Lee Collick to retain Brian Green with AndCo as the retiree health care investment advisor*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

## **NEXT MEETING AND ADJOURNMENT**

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30 a.m. on Friday, June 10, 2022 at the City Hall Building at 203 South Troy Street, in the 1<sup>st</sup> floor conference room # 122.

*Moved by Lee Collick to adjourn the meeting (8:53 a.m.) and confirm the next meeting for Friday, June 10, 2022, immediately following retirement system board meeting at approximately 8:30 a.m.*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*