



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 – April 12, 2019 at 8:30 a.m.

The meeting was called to order at 8:58 a.m.

Attendance

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

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

ABSENT: Don Johnson – City Manager

Public Comment- none

Board approval of the draft minutes for March 11, 2019 meeting

Moved by Bret Nelson to approve the March 11th, 2019 meeting minutes

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 4/0

EXCUSED ABSENCE:

Moved by Bret Nelson to excuse City Manager Don Johnson's absence

Supported by Kim Gibbs

MOTION ADOPTED 4/0

INVESTMENTS

Preliminary performance summary as of March 31, 2019 presented by Brian Green

Market value/allocation of assets as of March 31, 2019 is \$130,236,823.

Current month – total portfolio underperformed the benchmark: 0.79% vs. 1.15% index.

Three-month performance – total portfolio underperformed the benchmark: 9.05% vs. 9.22% index.

YTD performance – total portfolio underperformed the benchmark: 9.05% vs. 9.22% index.

One-year performance – total portfolio underperformed the benchmark: 2.69% vs. 4.93% index.

Inception – total portfolio underperformed the benchmark: 4.15% vs. 5.91% index.

Brian reported that the equity market rallied this year having the best Q1 in the last 21 years, and that the fear of rapidly rising interest rates has faded. Brian also reported that the yield rate curve is inverted, which usually indicates that the economy is slowing, and he estimates that we might be heading into a recession in close to 24 months. Brian suggested making some changes to the investment portfolio in preparation for the recession, such as adding more real estate exposure,

shifting to managers that perform better during recessions and reviewing the blending strategies. Brian will continue to provide his recommendations at future meetings.

Julie Rudd asked Brian to provide a historical performance report at the next meeting on Seizert Capital Mid Cap. Brian reported that Monroe County is invested in Seizert as a part of their portfolio with AndCo.

The complete AndCo Investment Performance Review report is on file in Finance Office.

Moved by Bret Nelson to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNIANIMOUSLY 4/0

Memo from Brian Green at AndCo dated 3/13/19 providing an update on the Status of Trust Investments is on file in the Finance Office.

Moved by Bret Nelson to receive and file memo.

Supported by Kim Gibbs

MOTION ADOPTED UNIAMOUSLY 4/0.

LEGAL - none

OTHER - none

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled immediately following the retirement system board meeting at approximately 8:30 am on Monday – May 6th, 2019 at city hall room 309.

Moved by Kyle DuBuc to adjourn the meeting (9:20 a.m.) and confirm next meeting for May 6th, 2019 immediately following retirement system board meeting at approximately 8:30 a.m.

Supported by Bret Nelson

MOTION ADOPTED UNIANIMOUSLY 4/0