

CITY OF BIRMINGHAM
 RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
 FRIDAY, JUNE 10, 2022
 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD MEETING

- 1) Call to Order
- 2) Roll Call
- 3) Announcements
- 4) Consent Agenda

All items listed on the consent agenda are considered to be routine by the Retiree Health Care Fund Investment Committee and will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a committee member so requests, in which event the item will be removed from the general order of business and considered as the last item under new business.

- A) Approval of Retiree Health Care Fund Investment Committee Meeting minutes of April 8, 2022.
- B) Approval of Retiree Health Care Fund Expenses of \$5,753.51 for the period of March 1, 2022 through May 31, 2022.
- C) Resolution to receive the Summary of Assets for the period ending April 30, 2022 with a total market value of \$44,633,248.

	<u>4/30/2022</u>		<u>3/31/2022</u>		<u>4/30/2021</u>	
Blackstone REIT(allocated but not funded)	0	0.0%	0	0.0%	1,122,149	2.5%
Bramshill Investments-Fixed Income	0	0.0%	0	0.0%	1,392,371	3.0%
C. S. McKee - Fixed Income	0	0.0%	0	0.0%	2,878,535	6.3%
Ducenta Squared-Fixed Income	0	0.0%	0	0.0%	5,839,772	12.8%
Blackrock Total Return K Fixed Income	5,549,769	12.4%	5,781,494	12.0%	0	0.0%
Metropolitan W Total Return Bond fund	5,546,425	12.4%	5,781,818	12.0%	0	0.0%
Vanguard S&P 500(VOO)	0	0.0%	0	0.0%	6,898,833	15.1%
Polen Capital Management	0	0.0%	0	0.0%	4,785,325	10.5%
Westwood - Large-Cap Value	0	0.0%	0	0.0%	5,287,854	11.6%
Fidelity 500 Index Fund-Lrg Cap	13,147,153	29.5%	15,060,360	31.3%	0	0.0%
Vanguard Mid-Cap ETF (VO)	0	0.0%	0	0.0%	2,360,216	5.2%
MFS Mid-Cap Value	2,768,204	6.2%	2,926,520	6.1%	0	0.0%
Blackrock Mid Cap Growth Equity	1,915,654	4.3%	2,243,413	4.7%	0	0.0%
Fiera Capital-SMID Gro	0	0.0%	0	0.0%	2,370,182	5.2%
Gabelli-Small Cap	10,529	0.0%	10,596	0.0%	2,654,204	5.8%
Wells Fargo Special Sm Cap	1,034,182	2.3%	1,094,403	2.3%	0	0.0%
Principal Sm Cap Growth	830,901	1.9%	930,075	1.9%	0	0.0%
MFS International Diversified Fund	0	0.0%	0.0	0.0%	6,722,460	14.7%
American Funds Europacific Growth	3,740,234	8.4%	4,044,208	8.4%	0	0.0%
Hartford International Opportunities Fund	3,953,894	8.9%	4,264,591	8.9%	0	0.0%
Graham Absolute Return Hedge Fund	1,394,103	3.1%	1,348,065	2.8%	1,171,079	2.6%

Whitebox Multi-Strategy Hedge Fund	1,415,058	3.2%	1,396,435	2.9%	1,165,834	2.5%
Starwood Realty Income Trust	2,962,533	6.6%	2,890,940	6.0%	1,122,149	2.5%
Cash	358,962	0.8%	352,950	0.7%	429	0.0%
Goldman Sachs Financial Govt Fund	5,645	0.0%	51,211	0.1%	0	0.0%
Total	44,633,248	99.2%	48,177,080	99.2%	45,770,967	100.0%

5) Investments

- A) To concur in the recommendation of Captrust and the Retirement Investment Committee to transfer funds from the Graham Absolute Return and Whitebox Multi-Strategy Funds into the Partners Group Private Equity Fund.
- B) Investment Report.

6) Unfinished Business

7) New Business

8) Meeting Open to the Public for Items Not on the Agenda.

9) Adjournment

Mark Gerber
 Secretary/Treasurer
 Employees Retirement Board

The highly transmissible COVID-19 Delta variant is spreading throughout the nation at an alarming rate. As a result, the CDC is recommending that vaccinated and unvaccinated personnel wear a facemask indoors while in public if you live or work in a substantial or high transmission area. Oakland County is currently classified as a substantial transmission area. The City has reinstated mask requirements for all employees while indoors. The mask requirement also applies to all board and commission members as well as the public attending public meetings.

Individuals requiring accommodations, such as interpreter services, for effective participation in this meeting should contact the City Clerk's Office at (248) 530-1880 at least one day in advance of the public meeting.

Las personas que requieren alojamiento, tales como servicios de interpretación, la participación efectiva en esta reunión deben ponerse en contacto con la Oficina del Secretario Municipal al (248) 530-1880 por lo menos el día antes de la reunión pública. (Title VI of the Civil Rights Act of 1964).

**MINUTES OF THE REGULAR MEETING OF THE
RETIREE HEALTH CARE FUND INVESTMENT COMMITTEE
HELD APRIL 8, 2022**

The meeting was called to order at 9:02 A.M.

PRESENT: Christopher Conti
Mark Gerber
Therese Longe
Thomas Markus

ABSENT: Connie Folk

ALSO PRESENT: Thelma Golden, Treasury Consultant

ALSO PRESENT
VIA ZOOM: Frank Pisano, Library Board; Jeremy Chambers and Brett Reardon,
Captrust

03-2022

Motion by Long:
Second by Markus:

To approve the Consent Agenda:

To approve the Retiree Health Care Fund Investment Committee meeting minutes of December 10, 2021;

To approve the Retiree Health Care Fund Investment Committee special meeting minutes of March 22, 2022;

To approve the Retiree Health Care Fund Expenses of \$22,075.80 for the period of January 1, 2022 through March 31, 2022;

To receive the Summary of Assets for the period ending January 31, 2022 with a total market value of \$49,640,842.

ROLL CALL VOTE:

Conti: Aye
Folk: Absent
Gerber: Aye
Longe: Aye
Markus: Aye

04-2022

Motion by Markus:
Second by Longe:

To concur in the recommendation of Captrust Financial Advisors and the Retirement Investment Committee to present the proposed Investment Policy Statement for the Retiree Health Care Fund to the City Commission for approval.

ROLL CALL VOTE:

Conti:	Aye
Folk:	Absent
Gerber:	Aye
Longe:	Aye
Markus:	Aye

05-2022

Brett Reardon reported that the data included in The Economic & Capital Markets Commentary for the Retiree Health Care Fund was the same as the Retirement Fund. He reviewed the asset allocation detail and investment returns for the fund.

There was discussion regarding whether the Retiree Health Care Plan should be looked at differently than the Retirement Plan or if it should closely mirror the Retirement Plan.

Captrust believes that the benchmark, target and scorecard for the managers should be the same. At this point, Captrust recommends that the Investment Policy Statement for both plans should be the same.

Mark Gerber stated that, at some point, when more employees are required to contribute 50% of the cost of their health care at retirement, there might need to be a change in the investment policy for the Retiree Health Care Fund.

Tom Markus added that, because fewer contributions may be necessary in the future, the Committee should be aware and willing to look at the Investment Policy Statement every year.

The meeting was adjourned at 9:14 A.M.

Respectfully submitted,

Thelma Golden
Treasury Consultant

Retiree Health Care Fund Expenses
3/1/2022-5/31/2022

<u>Date</u>	<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
4/25/2022	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period of 1/1/2022 - 3/31/2022	\$ 5,442.57
5/56/2022	Comerica Custodial/Investment Management Services	Custodial Services/market value fees Period 1/1/2022-3/31/2022	\$ 310.94
TOTAL			<u>\$ 5,753.51</u>



City of Birmingham

151 Martin, P.O. Box 3001
Birmingham, Michigan 48012
248-644-1800 fax 248-644-5614

Dept.#: 1011 Date: 4/25/2022

Req. #: _____ Vendor #: 979

Vendor Name: Comerica Bank

Address: Attn: Trust Fee Accounting Group

P.O. Box 67600

Detroit, MI 48267

PAYMENT REQUISITION FORM

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.				<u>\$ 5,442.57</u>	<u>Custodial Services/market value fees</u>
Account #:	<u>736-860.000-802.0300</u>				<u>1/1/2022-3/31/2022</u>

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.					
Account #:	_____				

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.					
Account #:	_____				

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.					
Account #:	_____				

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.					
Account #:	_____				

GRAND TOTAL: \$ 5,442.57

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____



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	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #1.	_____	_____	_____	<u>\$ 310.94</u>	<u>Custodial Services/market value fees</u>
Account #:	<u>736-860.000-802.0300</u>			_____	<u>1/1/2022-3/31/2022</u>

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #2.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #3.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #4.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

	<u>Quantity</u>	<u>Units</u>	<u>\$/Unit</u>	<u>Total</u>	<u>Description:</u>
Item #5.	_____	_____	_____	_____	_____
Account #:	_____			_____	_____

GRAND TOTAL: \$ 310.94

INSTRUCTIONS:

- () Hold for billing.
- () Approved for payment (no purchase order).
- () Send payment to department for mailing.
- () Send attachments with check.
- () Early release.
- () Wednesday release.

Other: _____

APPROVALS:

Date of Commission, Library or Retirement Board Approval (if required): _____

Dept. Head: _____

Finance Dept.: _____

Group No.: _____

MEMORANDUM

DATE: June 1, 2022

TO: Retiree Health Care Fund Investment Committee

FROM: Mark Gerber, Finance Director/Treasurer

SUBJECT: Retirement Investment Committee Recommendation
Reallocation of Hedge Fund Managers

The Retirement Investment Committee met with Captrust Financial Advisors at a regular meeting on June 1, 2022 to review the investment performance of the fund and an analysis of the hedge fund managers versus private equity managers.

We are recommending that the Retiree Health Care Fund Investment Committee approve the following resolution.

SUGGESTED ACTION:

To concur in the recommendation of Captrust and the Retirement Investment Committee to transfer funds from the Graham Absolute Return and Whitebox Multi-Strategy Funds into the Partners Group Private Equity Fund.

**BIRMINGHAM RETIREE HEALTH CARE FUND
INVESTMENT FUNDS & SERVICES**

		DATE OF HIRE/ TRANSFER	ORIGINAL \$/ TRANSFER \$	MANAGEMENT FEE
FIXED INCOME	BLACKROCK TOTAL RETURN K MPHQX	9/10/2021	\$4,993,694	0.38%
FIXED INCOME	METROPOLITAN WEST RETURN BD I MTXDTIX	9/10/2021	\$4,993,694	0.44%
LARGE-CAP EQUITY	FIDELITY 600 INDEX FXAIX	9/10/2021	\$14,981,081	0.02%
MID-CAP VALUE EQUITY	MFS MID CAP VALUE R6 MVCKX	9/10/2021	\$2,871,374	0.69%
MID-CAP GROWTH EQUITY	BLACKROCK MID-CAP GROWTH EQUITY K BMGKX	9/10/2021	\$2,871,371	0.75%
SMALL-CAP VALUE EQUITY	WELLS FARGO SPECIAL SMALL CAP VALUE R6 ESPRX	9/10/2021	\$1,123,581	0.87%
SMALL-CAP GROWTH EQUITY	PRINCIPAL SMALL-CAP I R6 PCSMX	9/10/2021	\$1,123,581	0.86%
INTERNATIONAL EQUITY	AMERICAN FUNDS EURO-PACIFIC GROWTH R6 RERGX	9/10/2021 3/22/2022	\$3,745,270 915,867	0.49%
INTERNATIONAL EQUITY	HARTFORD INTERNATIONAL OPPORTUNITIES R6	9/10/2021 3/22/2022	\$3,745,270 915,867	0.71%
HEDGE FUND	WHITEBOX MULTI-STRATEGY FUND, LP	3/8/2019	\$1,126,494	1.5% MANAGEMENT 20% INCENTIVE
HEDGE FUND	GRAHAM ABSOLUTE RETURN CLASS B FUND	3/8/2019	\$1,126,494	2% MANAGEMENT 25% INCENTIVE
REIT	STARWOOD SREIT	12/4/2020 3/24/2021	\$1,111,720 1,122,185	1.25% MANAGEMENT FEE 12.5% PERFORMANCE FEE, SUBJECT TO 5% ANNUAL HURDLE AND HIGH WATER MARK
CUSTODIAN PERFORMANCE MEASUREMENT	COMERICA BANK	1951		0.0475% \$500/MANAGER QUARTERLY
INVESTMENT CONSULTANT	CAPTRUST FINANCIAL ADVISORS	6/23/2021		\$60,000 ANNUALLY 3% INCREASE AFTER 3 YEARS