

CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES

Minutes for the Regular Board Meeting

November 19, 2020

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 9:07 a.m.

**ROLL CALL**

Members Present: DiGiovanni(*Via TX, Ann Arbor, MI*), Flack(*Via TX, Wood County, OH*), Hastie(*via TX, Ann Arbor, MI*), Horning(*Via TX, Whitney Twp., MI*), Lynch(*Via TX, Whitmore Lake, MI*), Monroe(*Via TX, Ann Arbor, MI*), Nerdrum (*Via TX, Ann Arbor, MI*), Peariso(*Via TX, Ann Arbor, MI*), Schreier(*Via TX, Ann Arbor, MI*)

Members Absent: None

Staff Present: Buffone(*Via TX*), Gustafson(*Via TX*), Hollabaugh(*Via TX*), Orcutt(*Via TX*)

Others: Michael VanOverbeke(*Via TX*), Legal Counsel  
Jim Anderson, GRS  
Rich Koch, GRS  
Danielle Mathiesen, GRS

**AUDIENCE COMMENTS**

**A. APPROVAL OF AGENDA**

It was **moved** by DiGiovanni and **seconded** by Peariso to approve the agenda as submitted.

**Approved**

**B. APPROVAL OF MINUTES**

**B-1 October 15, 2020 Regular Board Meeting**

It was **moved** by Nerdrum and **seconded** by DiGiovanni to approve the October 15, 2020 Board Meeting minutes as submitted.

**Approved**

**C. CONSENT AGENDA - None**

**D. ACTION ITEMS**

**D-1 PRESENTATION: FYE June 30, 2020 Actuarial Valuation**

Mr. Anderson, Mr. Koch and Ms. Mathiesen from GRS were present to review the drafted Actuarial Valuation for fiscal year ending June 30, 2020. The Valuation reflects the following:

- Updated census data
- No changes to benefit provisions
- A decrease in the investment return assumption from 7% to 6.9% and reset of health care trend
- Roll-forward of 2019 premium information using last year's trend assumption (8.25%)

It was **moved** by Nerdrum and **seconded** by Schreier to approve the VEBA Valuation for the Fiscal Year Ended June 30,2020.

**Approved**

**D-2 Audited Financial Statements for the Fiscal Year Ended June 30, 2020**

Ms. Nerdrum informed the Board that the Audit Committee previously reviewed the statements and recommend for approval.

It was **moved** by Nerdrum and **seconded** by Monroe to approve the Audit Financial Statements for the Fiscal Year Ended June 30, 2020 and to send copies to the City.

**Approved**

**D-3 Revised Investment Policy Statement**

Ms. Orcutt informed the Board that the IPS has been updated to reflect the new allocations.

It was **moved** by Hastie and **seconded** by DiGiovanni to acknowledge receipt and approve the revised Investment Policy Statement.

**Approved**

**E. DISCUSSION ITEMS - None**

**F. REPORTS**

**F-1 Preliminary Investment Reports for the Month Ended October 15, 2020**

Maria Buffone, Accountant, submitted the Financial Report for the month ended October 15, 2020, to the Board of Trustees:

10/31/2020 Asset Value (Preliminary)	\$203,347,957
9/30/2020 Asset Value (Audited by Northern)	\$205,214,287
Calendar YTD Increase/Decrease in Assets <i>(excludes non-investment receipts and disbursements)</i>	\$4,605,117
Percent Gain <Loss>	2.32%
<b>November 18, 2020 Asset Value</b>	<b>\$213,493,967</b>

**F-2 Legal Report – None**

**G. TRUSTEE COMMENTS / SUGGESTIONS**

**H. FUTURE AGENDA ITEMS - None**

**I. INFORMATION (Received & Filed)**

**I-1 Record of Paid Invoices**

The following invoices have been paid since the last Board meeting.

	<b><u>PAYEE</u></b>	<b><u>AMOUNT</u></b>	<b><u>DESCRIPTION</u></b>
1	Gabriel, Roeder & Smith	\$2,400.00	Annual GASB 74/75 Valuation 4th Qtr 2020
2	Hexavest	\$13,082.41	Investment Management Fee 7/1/2020-9/30/2020
3	Meketa	\$3,750.00	Investment Consultant Fee 9/2020
4	Rhumblin (HEDI)	\$5,957.00	Investment Management Fee 7/1/2020-9/30/2020
5	Rhumblin	\$834.00	Investment Management Fee 7/1/2020-9/30/2020
6	Yeo & Yeo	\$1,000.00	Audit Services through 9/30/2020
7	Income Research Management	\$1,454.58	Management Fees period ended 6/30/2020
8	Loomis Sayles	\$5,116.14	Management Fees period ended 9/30/2020
	<b>Total</b>	<b>\$33,594.13</b>	

**J. ADJOURNMENT**

It was **moved** by Nerdrum and **seconded** by Hastie to adjourn the meeting at 9:28 a.m.  
**Meeting adjourned at 9:28 a.m.**

*Wendy Orcutt*

**Wendy Orcutt, Executive Director  
City of Ann Arbor Employees' Retirement System**