

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

**Minutes for the Regular Board Meeting
March 20, 2025**

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 9:05 a.m.

ROLL CALL

Members Present: DiGiovanni, Flack (*Via TX*), Foster, Grimes, Lynch, Nerdrum (*Via TX*),
Praschan, Schreier, Toth
Members Absent: None
Staff Present: Barroga, Buffone, Gustafson, Lieder, Orcutt (*Via TX*)
Others: Frank Judd, Legal Counsel

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Foster and **seconded** by Lynch to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 February 20, 2025 Regular Board Meeting

It was **moved** by Nerdrum and **seconded** by Foster to approve the February 20, 2025,
Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS

D-1 Service Provider Disclosures

WHEREAS, the Board of Trustees (“Board”) is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retiree Health Care Benefit Plan & Trust, and

WHEREAS, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, (Michigan Public Act 314 of 1965, as amended), wherein the Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered, and

WHEREAS, in light of its fiduciary responsibility, the Board recognizes that it is in the best interests of the Retirement System and its participants and beneficiaries to retain the services of qualified professional service providers, including, but not limited to: investment

consultants, investment managers, investment banks/brokers, custodians, actuaries, auditors, attorneys, administrators, and physicians to assist in and oversee the investments and administration of the Retiree Health Care Benefit Plan & Trust, and

WHEREAS, the Board is aware of the various disclosure requirements and “pay-to-play” restrictions imposed on its current and prospective service providers under the provisions of Act 314 and applicable federal law, and

WHEREAS, the Board is required to withhold payment from service providers who violate the “pay-to-play” provisions of Act 314 and applicable federal law, and

WHEREAS, several of the Retiree Health Care Benefit Plan & Trust’s professional service providers qualify as “service providers” and/or “investment service providers” as that term is defined under Act 314, and

WHEREAS, the term “service provider” is defined in Act 314 as “a person retained to provide services to a system and includes investment advisers, consultants, custodians, accountants, auditors, attorneys, actuaries, administrators, and physicians. Service provider includes an investment service provider as defined in Section 13(7). Service provider does not include a regulated investment adviser”, and

WHEREAS, the term “investment service provider” is defined under Act 314 as “any individual, third-party agent or consultant, or other entity that received direct or indirect compensation for consulting, investment management, brokerage, or custody services related to the system’s assets”, and

WHEREAS, the Board is desirous of establishing a formal disclosure policy applicable to appropriate service providers in order to monitor said service providers’ compliance with Act 314 and other applicable laws, therefore be it

RESOLVED, that every year in the month of April, the Board shall require each of its current “investment service providers” to disclose in writing all fees or other compensation associated with its relationship with the Retiree Health Care Benefit Plan & Trust for the previous [fiscal/calendar] year, as required under Section 13(7) of Act 314 [MCL 38.1133(7)], by submission of the attached Fee Disclosure Form, and further

RESOLVED, that prior to the transfer of any Retiree Health Care Benefit Plan & Trust assets to a prospective “investment service provider”, the prospective “investment service provider” shall be required to disclose all fees or other compensation to be associated with its relationship to the Retiree Health Care Benefit Plan & Trust through completion and submission of the Compensation Disclosure Form to the Board, and further

RESOLVED, that every year in the month of April, the Board shall require all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.1133e] and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser, and further

RESOLVED, that that any service provider’s failure or refusal to complete and submit either of the Retiree Health Care Benefit Plan & Trust’s disclosure forms shall be deemed a violation by the service provider of the requirements of Act 314 and this Policy, and shall result in appropriate action by the Board, including the possible suspension of payment for services rendered and/or termination of the service provider’s relationship with the Retiree Health Care Benefit Plan & Trust, and further

RESOLVED, that all services providers shall have an ongoing requirement to monitor all political contributions and, upon becoming aware of a violation, immediately disclose to the Board any and all political contributions that violate the restrictions of Section 13e of Act 314 and/or Rule 206(4)-5 under the Investment Advisers Act of 1940 in the case of a regulated investment adviser, including the date of the contribution, the name of the contributor, the name of the recipient, and the amount of the contribution, and further

RESOLVED, that copies of this Policy shall be provided to all Retiree Health Care Benefit Plan & Trust service providers who shall be required to act in accordance with said Policy.

It was **moved** by Grimes and **seconded** by Toth to approve the service provider disclosures.

Approved

E. DISCUSSION ITEMS – None

F. REPORTS

F-1 Preliminary Investment Reports for the Month Ended February 28, 2025

Ms. Orcutt submitted the Financial Report for the month ended February 28, 2025, to the Board of Trustees:

2/28/2025 Asset Value (Preliminary)	\$293,286,402
1/31/2025 Asset Value (Audited by Northern)	\$292,987,017
Calendar YTD Increase/Decrease in Assets (<i>excludes non-investment receipts and disbursements</i>)	\$6,819,688
Percent Gain <Loss>	2.38%
March 19, 2025 Asset Value	\$288,583,106

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.

	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1	Meketa	\$3,750.00	Investment Consulting Fee 1/2025
2	Loomis Sayles	\$9,972.62	Investment Manager Fee 10/1/2024-12/31/2024
3	Rhumblin	\$1,093.00	Investment Manager Fee 10/1/2024 to 12/31/2024
4	Rhumblin HEDI	\$7,574.00	Investment Manager Fee 10/1/2024 to 12/31/2024
5	GRS	\$8,125.00	VEBA Valuations Q1 2025
6	GRS	\$2,900.00	GASB 74/75 Valuation Q1 2025
7	Meketa	\$3,750.00	Investment Consulting Fee 2/2025
8	IR&M	\$945.57	Investment Mngt. Fee For Period Ended 12/31/2024
	Total	\$38,110.19	

J. **ADJOURNMENT**

It was **moved** by Grimes and **seconded** by Lynch to adjourn the meeting at 9:06 a.m.
Meeting adjourned at 09:06 a.m.

Wendy Orcutt

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