

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

Minutes for the Regular Board Meeting
August 15, 2019

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The meeting was called to order by Board Secretary, Dave Monroe, at 10:03 a.m.

ROLL CALL

Members Present: Crawford, DiGiovanni, Hastie, Monroe, Peariso, Schreier
Members Absent: Flack, Lynch, Nerdrum
Staff Present: Gustafson, Hollabaugh, Orcutt
Others: Michael VanOverbeke, Legal Counsel

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Crawford and **seconded** by Hastie to approve the agenda as submitted.

Approved

B. APPROVAL OF MINUTES

B-1 July 18, 2019 Regular Board Meeting

It was **moved** by Crawford and **seconded** by Hastie to approve the July 18, 2019 Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA - None

D. ACTION ITEMS - None

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – July 23, 2019

Following are the Investment Policy Committee minutes from the meeting convened at 3:08 p.m. on July 23, 2019:

Member(s) Present: DiGiovanni, Hastie, Monroe
Member(s) Absent: Crawford, Flack
Other Trustees Present: None
Staff Present: Hollabaugh, Orcutt
Others Present: Henry Jaung, Meketa Investment Group
Dave Diephuis, City Resident

VEBA SECOND QUARTER & COMPLIANCE REVIEW

As of June 30, 2019, the balance of the Funds were \$186,358,811 for VEBA. Fiscal year to date performance was 7.1% for VEBA net of fees. Mr. Jaung also reviewed the Act 314 Compliance, stating that all investments are currently in compliance.

DYNAMIC ASSET ALLOCATION

Mr. Jaung informed the Committee that dynamic asset allocation (DAA) is a method of balancing a conservative investment posture, which ensures that short-term liabilities are covered, and a more aggressive posture, which enables the VEBA's longer-term assets to keep pace with funding goals. The DAA structure maximizes the VEBA's ability to meet all benefit obligations by matching the horizons of the VEBA assets and liabilities. Overall, the DAA provides Trustees with a powerful tool to help balance shorter – and longer-term objectives.

The Committee reviewed and briefly discussed. Mr. Jaung noted that this be will happening at some point in the future when VEBA funds will be utilized to pay for Health Care expenditures.

ADJOURNMENT

It was **moved** by DiGiovanni and **seconded** by Monroe to adjourn the meeting at 4:39 p.m.
Meeting adjourned at 4:39 p.m.

F-2 Preliminary Investment Reports for the Month Ended June 30, 2019

Wendy Orcutt, Executive Director, submitted the Financial Report for the month ended July 31, 2019, to the Board of Trustees:

7/31/2019 Asset Value (Preliminary)	\$187,041,864
6/30/2019 Asset Value (Audited by Northern)	\$185,710,836
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$21,743,841
Percent Gain <Loss>	13.30%
August 14, 2019 Asset Value	\$184,238,605

F-3 Legal Report – None

G. TRUSTEE COMMENTS / SUGGESTIONS - None

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	Loomis Sayles	\$5,977.85	Management Fees 4/2019 - 6/2019
2	Income Research Management	\$1,374.90	Management Fees 4/2019 - 6/2019
3	Hexavest	\$13,608.31	Management Fees 4/2019 - 6/2019
4	Rhumblin	\$826.00	Management Fees 4/2019 - 6/2019
5	Meketa Investment Group	\$3,750.00	Investment Consulting Services July 2019
6	Vanoverbeke, Michaud & Timmony	\$364.80	Legal fees 4/1/19 - 6/30/19
	Total	\$25,901.86	

J. ADJOURNMENT

It was **moved** by Crawford and **seconded** by Peariso to adjourn the meeting at 10:05 a.m.
Meeting adjourned at 10:05 a.m.

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