

**REGULAR MINUTES**  
**WASHTENAW COUNTY VEBA BOARD OF TRUSTEES**  
**Wednesday, April 11, 2018 2:30 P.M.**  
220 N. Main St – Board of Commissioner's Meeting Room

**Call to Order**

Gary Lowe called the meeting to order at 2:31 p.m.

**Roll Call**

Tami Langenright called the role

**MEMBERS PRESENT:** Gary Lowe, Conan Smith (2:33), Corey Mason, Tina Gavalier

**MEMBERS ABSENT:** Diane Heidt

**OTHERS PRESENT:** Tami Langenright, Sarah Erskine, Human Resources; Jane Thurston, AWARE Liaison; Timothy Brice, Amy Cole, Graystone Consulting, Catherine McClary, Treasurer; David Sexton, Alternate Trustee

**Public Participation from the Floor**

None

**Approval of Minutes of:**

- A. February 7, 2018 – Regular Meeting
- C. Mason seconded by T. Gavalier motion to approve the Regular Meeting Minutes. All in favor, motion carried.

**Communications**

- A. Hatteras, 4Q17 Fact Sheet
- B. Finance, Monthly Contribution/Distribution Report as of March 2018
- C. J.P. Morgan, 03.22.2018 Eye on the Market
- D. Morgan Stanley, 03.22.2018, What Happened in the Markets

**Communications on file**

- A. Ancora, 01.30.2018 David Sowerby Communication
- B. Clarkston, 4Q17 Quarterly Statement
- C. Corbin, 2017 Year End Letter
- D. Hatteras, Monthly Reporting December 2017 – February 2018
- E. J.P. Morgan, Monthly Reporting January 2018 – February 2018
- F. Morgan Stanley, Monthly Reporting January 2018 - February 2018
- G. Morgan Stanley, 02.28.2017 Prospectus
- H. Morgan Stanley, 1099 Consolidated Tax Statement 2017
- I. Morgan Stanley, Prospectus 02.28.2018
- J. Vanguard, 04.26.2017 Prospectus
- K. Vanguard, 12.21.2017 Prospectus

T. Gavalier seconded by C. Mason motion to receive and file the Communications and Communications on File as presented. All in favor, motion carried.

**Unfinished Business**

None

**New Business**

None

**Administrator's Report-** Tami Langenright

**A. Retiree Health Expenses**

Month: January 2018

	General	Sheriff	Medical Fund Adjustment	Total
Blue Cross/Blue Shield-ERS retirees	775,526.82	172,715.58		<b>948,242.40</b>
Medicare Reimbursement-ERS retirees	961.00	220.30		<b>1,181.30</b>
Medicare Reimbursement-MERS retirees	-	-		-
Blue Cross/Blue Shield-MPPP retirees	38,381.24	-		<b>38,381.24</b>
Blue Cross/Blue Shield-MERS retirees	-	60,958.44		<b>60,958.44</b>
Retiree Medical Adjustment				-
	<b>\$814,869.06</b>	<b>\$233,894.32</b>	<b>\$ -</b>	<b>\$1,048,763.38</b>

	Number of Retirees General	Number of Retirees Sheriff	Number of Retirees Total
Blue Cross/Blue Shield-ERS retirees	687	153	840
Medicare Reimbursement-ERS retirees	9	2	11
Medicare Reimbursement-MERS retirees	-	-	-
Blue Cross/Blue Shield-MPPP retirees	34	-	34
Blue Cross/Blue Shield-MERS retirees	-	54	54
Retiree Medical Adjustment			
	<b>730</b>	<b>209</b>	<b>939</b>

Month: February 2018

	General	Sheriff	Medical Fund Adjustment	Total
Blue Cross/Blue Shield-ERS retirees	772,140.50	173,844.44		<b>945,984.94</b>
Medicare Reimbursement-ERS retirees	961.00	220.30		<b>1,181.30</b>
Medicare Reimbursement-MERS retirees	-	419.60		<b>419.60</b>
Blue Cross/Blue Shield-MPPP retirees	38,381.24	-		<b>38,381.24</b>
Blue Cross/Blue Shield-MERS retirees	-	62,087.30		<b>62,087.30</b>
Retiree Medical Adjustment				
	<b>\$811,482.74</b>	<b>\$236,571.64</b>	<b>\$ -</b>	<b>\$1,048,054.38</b>

	Number of Retirees General	Number of Retirees Sheriff	Number of Retirees Total
Blue Cross/Blue Shield-ERS retirees	686	154	840
Medicare Reimbursement-ERS retirees	9	2	11
Medicare Reimbursement-MERS retirees	-	2	2
Blue Cross/Blue Shield-MPPP retirees	34	-	34
Blue Cross/Blue Shield-MERS retirees	-	55	55
Retiree Medical Adjustment			
	<b>729</b>	<b>213</b>	<b>942</b>

Month: March 2018

	General	Sheriff	Medical Fund Adjustment	Total
Blue Cross/Blue Shield-ERS retirees	769,882.52	172,715.58		<b>942,598.10</b>
Medicare Reimbursement-ERS retirees	961.00	220.30		<b>1,181.30</b>
Medicare Reimbursement-MERS retirees	-	209.80		<b>209.80</b>
Blue Cross/Blue Shield-MPPP retirees	38,381.24	-		<b>38,381.24</b>

Blue Cross/Blue Shield-MERS retirees	-	62,087.30		<b>62,087.30</b>
Retiree Medical Adjustment				-
	<b>\$809,224.76</b>	<b>\$235,232.98</b>	<b>\$ -</b>	<b>\$1,044,457.74</b>

	Number of Retirees General	Number of Retirees Sheriff	Number of Retirees Total
Blue Cross/Blue Shield-ERS retirees	682	153	835
Medicare Reimbursement-ERS retirees	9	2	11
Medicare Reimbursement-MERS retirees	-	2	2
Blue Cross/Blue Shield-MPPP retirees	34	-	34
Blue Cross/Blue Shield-MERS retirees	-	55	55
Retiree Medical Adjustment			
	<b>725</b>	<b>212</b>	<b>937</b>

**A. Requesting approval for the following invoices:**

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount Due</u>	<u>Invoice</u>
Conduent	Services Rendered Through 12.31.2017	\$2,746.67	2361368VEBA
Edgewood	Investment Counseling Fees 4Q17	\$35,067.73	2889035
Loomis Sayles	Investment Fees Through 1.29.2018	\$5,979.98	189154
Morgan Stanley	Investment Consulting Fees 1Q18	\$41,217.95	1Q18VEBA
	JP Morgan Fixed 1,609.62		
	WAMCO 2,321.88		
	Loomis Lg Val 1,040.71		
	Aristotle Lg Val 1,482.45		
	Cambiar Int'l 1,781.48		
	Clarkston Smid Cap 2,781.55		
	Outside Assets 1,832.29		
	Edgewood Lg Growth 2,679.06		
	CG Advisor 7,863.50		
	Santa Barbara Dvd Growth 265.84		
	Santa Barbara Dvd Gr MGR & Program Portion	\$6,698.63	
	Cambiar Int'l Mgr & Program Fees	\$9,659.71	
Santa Barbara		\$5,329.69	
VMT	Services Rendered 1Q17	\$1,854.00	9494
VMT	Services Rendered 2Q17	\$450.00	9495
VMT	Services Rendered 4Q17	\$1,494.00	9496

T. Langenright requested authorization to process payment for the presented retiree health care expenses for January through March, as well as for payment of the represented invoices in the regular agenda.

C. Mason seconded by T. Gavalier to approve the expenditures as presented. All in favor, motion carried.

## **Report of Investment Consultant**

### **A. Market Value Update**

Mr. Brice discussed the On the Market report. Stocks are expected to outperform bonds, and returns are not to be expected to be as high as last year. Markets are still slightly volatile after the first correction that occurred in February 2018. Asset allocation should be forth coming in the next few months with suggestions on if any changes are necessary.

Ms. Cole discussed tactical Asset Allocation. There was a great opportunity in the international Emerging Market.

Ms. Cole requested the Investment Policy Statement (IPS) be approved, and stated that legal counsel has approved it. She then discussed updates to the IPS with the Board.

C. Smith seconded by T. Gavalier to accept Investment Policy Statement as presented. All in favor, motion carried.

### **B. Rebalance**

Ms. Cole discussed the rebalance, and moving funds from Edgewood and Clarkston and reallocating to Cambiar, Vanguard, and iShares.

C. Mason seconded by T. Gavalier to accept the rebalance to remove \$1.95 million from Edgewood Large Growth and \$2.25 Million from Clarkston, allocating \$1.90 to Cambiar International, \$1.15 million to Vanguard Developed Markets, and \$1.15 million into iShare Emerging Markets.

All in favor, motion carried.

Ms. Cole then provided the board with the current investment structure cost from August 2017 to March 2018. The total cost structure is 64 basis points in August versus 57 basis points at the end of March.

## **Other Advisor's Comments**

None

## **Report of the Chair**

None

## **Adjournment**

C. Smith seconded by C. Mason to adjourn at 3:09pm. All in favor, motion carried.

## **Upcoming Board Meetings –**

Wednesday, June 20, 2018, Actuarial Valuation  
MSU Extension Classroom  
705 N. Zeeb Rd, Ann Arbor, MI 8:30 a.m. – 12:00 p.m.

Wednesday, August 1, 2018, Regular Meeting  
BOC Conference Room,  
220 N. Main St, Ann Arbor, MI 2:30 p.m. – 4:00 p.m.