

REGULAR MINUTES
WASHTENAW COUNTY VEBA BOARD OF TRUSTEES
Wednesday, October 3, 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 2:37 p.m.

Roll Call

Monica Boote called the roll

MEMBERS PRESENT: Gary Lowe, Conan Smith (2:43), Corey Mason, Tina Gavalier

MEMBERS ABSENT: Diane Heidt

OTHERS PRESENT: Monica Boote, Sarah Erskine, Human Resources; Jane Thurston, AWARE Liaison; Timothy Brice, Amy Cole, Graystone Consulting, Catherine McClary, Treasurer

Public Participation from the Floor

None

Approval of Minutes of:

A. August 1, 2018 – Regular Meeting
T. Gavalier seconded by C. Mason motion to approve the Regular Meeting Minutes. All in favor, motion carried.

Communications

- A. Buck, Letter from CEO Jack Freker
- B. Hatteras, 2Q18 Fact Sheet
- C. Finance, Monthly Contribution/Distribution Report as of June 2018
- D. J.P. Morgan, 09.04.2018 Eye on the Market
- E. VanOverbeke, Michaud, & Timmony, 08.21.2018 Legislative Update

Communications on file

- A. Corbin, Monthly Reporting June 2018 – August 2018
- B. Hatteras, Monthly Statement June 2018 – July 2018
- C. Hatteras, 07.30.2018 Prospectus
- D. Intercontinental, 2Q18 REIF Report
- E. Intercontinental, 2Q18 Investment Statements
- F. J.P. Morgan, Monthly Reporting July 2018 – August 2018
- G. J.P. Morgan, 1Q18 Quarterly Reporting
- H. McMorgan, 1Q18 Quarterly Reporting
- I. Morgan Stanley, Monthly Reporting July 2018 – August 2018
- J. Morgan Stanley, Trade Confirmations September 2018
- K. Morgan Stanly, 02.28.2018 Prospectus

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

Unfinished Business

None

New Business

A. 2019 Proposed Calendar – Bimonthly

B. 2019 Proposed Calendar – Quarterly

The Board discussed the different options and the benefit of waiting until more trustees are present.

T. Gavalier seconded by C. Mason to accept Bimonthly calendar option. All in favor, motion carried

Administrator’s Report- Monica Boote

A. Actuary Update Administrative Service Agreement

M. Boote gave the Board an update regarding the multiple changes occurring with the Actuary team. M. Boote would like to run the VEBA RFP schedule in tandem with the WCERS RFP schedule.

C. Smith seconded by T. Gavalier to have the VEBA RFP in tandem with the WCERS Board RFP and to delegate the chair the authority to engage with WCERS board in the selection of an actuarial process on behalf of the VEBA Board.

B. Retiree Health Expenses

Month: August 2018

	General	Sheriff	Medical Fund Adjustment	Total
Blue Cross/Blue Shield-ERS retirees	777,784.54	171,586.72		949,371.26
Medicare Reimbursement-ERS retirees	1,258.10	220.30		1,478.40
Medicare Reimbursement-MERS retirees	-	209.80		209.80
Blue Cross/Blue Shield-MPPP retirees	37,252.38	-		37,252.38
Blue Cross/Blue Shield-MERS retirees	-	68,860.46		68,860.46
Retiree Medical Adjustment				-
	\$816,295.02	\$240,877.28	\$ -	\$1,057,172.30

	Number of Retirees General	Number of Retirees Sheriff	Number of Retirees Total
Blue Cross/Blue Shield-ERS retirees	689	152	841
Medicare Reimbursement-ERS retirees	11	2	13
Medicare Reimbursement-MERS retirees	-	2	2
Blue Cross/Blue Shield-MPPP retirees	33	-	33

Blue Cross/Blue Shield-MERS retirees	-	61	61
Retiree Medical Adjustment			
	733	217	950

Month: September 2018

	General	Sheriff	Medical Fund Adjustment	Total
Blue Cross/Blue Shield-ERS retirees	780,042.26	171,586.72		951,628.98
Medicare Reimbursement-ERS retirees	1,258.10	220.30		1,478.40
Medicare Reimbursement-MERS retirees	-	209.80		209.80
Blue Cross/Blue Shield-MPPP retirees	36,123.52	-		36,123.52
Blue Cross/Blue Shield-MERS retirees	-	72,247.04		72,247.04
Retiree Medical Adjustment				-
	\$817,423.88	\$244,263.86	\$ -	\$1,061,687.74

	Number of Retirees General	Number of Retirees Sheriff	Number of Retirees Total
Blue Cross/Blue Shield-ERS retirees	691	152	843
Medicare Reimbursement-ERS retirees	11	2	13
Medicare Reimbursement-MERS retirees	-	2	2
Blue Cross/Blue Shield-MPPP retirees	32	-	32
Blue Cross/Blue Shield-MERS retirees	-	64	64
Retiree Medical Adjustment			

	734	220	954
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C. Requesting approval for the following invoices:

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount Due</u>	<u>Invoice</u>
Edgewood	Investment Counseling Fees 2Q18	\$35,002.94	2889037
Western Asset	Management Fees 2Q18	\$9,513.93	2Q18VEBA

M. Boote requested authorization to process payment for the presented retiree health care expenses for August through September, as well as for payment of the represented invoices in the regular agenda.

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

M. Boote then discussed the retiree’s medical insurance switch to a Medicare advantage plan that will save the county \$1.3 to \$1.8 million over the next several years. Catherine McClary requested documentation regarding the transition.

Report of Investment Consultant

A. Market Commentary

Mr. T. Brice discussed that the U.S. and International equity markets were in an extreme performance differential, the International stock were being seen as more risky due to the tariff talks. Morgan Stanley believe as long as there is not a trade war things should equalize out shortly. The VEBA portfolio has done well but has not been a robust year again due to the trade war.

B. Asset Allocation / Performance Update

Ms. A. Cole discussed the VEBA portfolio is currently up 4.38% year to date which equals \$5.5 million. The portfolio is currently 12% overweight to equities. Equity money managers are all up anywhere from 4% to 9%, where international money manager were all negative, as to be expected. Ms. A. Cole states that the investment consultants are currently comfortable with the way the assets are currently allocated, and there aren’t any rebalance requests at the moment.

Other Advisor’s Comments

None

Report of the Chair

None

Adjournment

T. Gavalier seconded by C. Mason to adjourn at 3:49pm. All in favor, motion carried.

Upcoming Board Meetings –

Wednesday, December 05, 2018, Regular Meeting
 BOC Conference Room,
 220 N. Main St, Ann Arbor, MI 2:30 p.m. – 4:00 p.m.