

# VEBA COMMITTEE MEETING

Plymouth District Library | August 1, 2021

1. Call to order & attendance:
  - a. The meeting was called to order at 5:30pm by Director Anderson.
  - b. Present: Trustees Pappas, Anderson, Morrison, Director Anderson, staff members McCardell, Seals, and Allerus Representative Gilbertson
2. Agenda
  - a. Resolved by staff representative McCardell and seconded by Trustee Pappas to approve the agenda
3. Public Comment
  - a. None
4. New Business:
  - a. Plan review: Gilbertson presented the current investment allocations of the VEBA account alongside the target allocations for the account. The documentation showed that allocations were mostly on-target with less than a 2% deviation in all categories.
  - b. Gilbertson clarified the needs of the committee going forward as he takes over as the library's account rep.
5. New Business:
  - a. Director Anderson presented the proposed amendment to the library's VEBA plan. This change will allow all plan participants to choose the reimbursement option that is currently only allowed to out-of-network participants. This change will help rebalance the library's insurance census, which currently has too many people over 65 to receive marketable bids.
6. The meeting was adjourned at 6pm.

5.1



TO: PDL VEBA Committee                      DATE: November 6, 2022  
RE: Account Update from Alerus              FROM: Shauna Anderson,  
Director

Former account representative, Joe Gilbertson, will be presenting remotely on the status of our VEBA account. I was informed on November 3 that Stanton (Stan) Shields will be taking over as our account representative. I will be meeting with Stan after this committee meeting to get him up to speed. Supplementary information on VEBA account performance is attached to this memo.

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: AUGUST 01, 2022 THROUGH AUGUST 31, 2022



PLYMOUTH DISTRICT LIBRARY  
ATTN: SHAUNA ANDERSON  
223 S MAIN ST  
PLYMOUTH, MI 48170

|                       |   |
|-----------------------|---|
| ACCOUNT NAME:         | PLYMOUTH DISTRICT LIBRARY<br>VEBA AGENCY                            |
| ACCOUNT NUMBER:       | 1050615699  |
| ADVISOR:              | JOE GILBERTSON<br>JOE.GILBERTSON@ALERUS.COM                         |
| ASSOCIATE:            | HEATHER BERGANTINE<br>701-280-5032<br>heather.bergantine@alerus.com |
| INVESTMENT OBJECTIVE: | MICHIGAN ACCOUNT  |






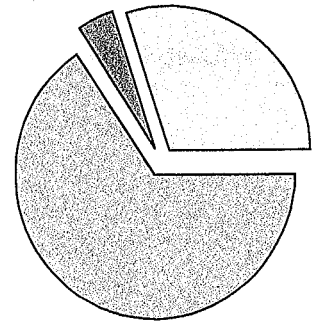
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## FOR YOUR INFORMATION

THE 2021 COMPOSITE FORM 1099s ARE GENERALLY MAILED BY FEB. 28, 2022. THIS ALLOWS COMPANIES MORE TIME TO PROCESS FILES AND APPLY REALLOCATIONS, PRODUCING A MORE COMPLETE STATEMENT AND REDUCING THE NUMBER OF CORRECTED 1099s. PLEASE CONTACT YOUR FINANCIAL ADVISOR OR FINANCIAL ASSOCIATE IF YOU HAVE ANY QUESTIONS ABOUT YOUR STATEMENT OR 1099 FORMS.

## PORTFOLIO SUMMARY

| MARKET VALUE AS OF  | 08/01/22            | 08/31/22            | % OF ACCOUNT  |
|---|---------------------|---------------------|---------------|
|  BONDS                   | 769,099.12          | 744,479.43          | 30.1%         |
|  CASH & CASH EQUIVALENTS | 103,541.71          | 105,387.07          | 4.3%          |
|  EQUITIES                | 1,693,608.68        | 1,625,002.13        | 65.6%         |
| <b>Total</b>  | <b>2,566,249.51</b> | <b>2,474,868.63</b> | <b>100.0%</b> |



## ACTIVITY SUMMARY

|                        | THIS PERIOD  | YEAR TO DATE | REALIZED CAPITAL GAINS / LOSSES |              |
|------------------------|--------------|--------------|---------------------------------|--------------|
|                        |              |              | THIS PERIOD                     | YEAR TO DATE |
| BEGINNING MARKET VALUE | 2,566,249.51 | 2,963,617.07 |                                 |              |
| INCOME                 | 1,845.36     | 24,962.20    |                                 |              |
| CASH DISBURSEMENTS     | 0.00         | 55,300.43-   |                                 |              |
| CHANGE IN MARKET VALUE | 93,226.24-   | 458,410.21-  | LONG TERM                       | 0.00         |
| ENDING MARKET VALUE    | 2,474,868.63 | 2,474,868.63 | TOTAL GAINS / LOSSES            | 88,864.79    |
|                        |              |              |                                 | 88,864.79    |

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: AUGUST 01, 2022 THROUGH AUGUST 31, 2022

## PORTFOLIO STATEMENT

| QUANTITY                            | DESCRIPTION   | MARKET VALUE        | COST BASIS          |
|-------------------------------------|---|---------------------|---------------------|
| <b>CASH &amp; CASH EQUIVALENTS</b>  |   |                     |                     |
| 105,387.070                         | ALERUS FINANCIAL MMKT   | 105,387.07          | 105,387.07          |
| <b>TOTAL</b>                        | <b>CASH &amp; CASH EQUIVALENTS</b>  | 105,387.07          | 105,387.07          |
| <b>BONDS</b>                        |   |                     |                     |
| <b>MUTUAL FUND - BONDS</b>          |   |                     |                     |
| 33,715.001                          | VANGUARD TOTAL BOND INDEX<br>ADMIRAL FUND #584                            | 331,081.31          | 358,480.16          |
| 48,350.657                          | VANGUARD INTERMEDIATE TERM<br>CORPORATE FUND ADMIRAL SHARES,<br>FUND #571 | 413,398.12          | 448,658.27          |
| <b>TOTAL</b>                        | <b>MUTUAL FUND - BONDS</b>  | 744,479.43          | 807,138.43          |
| <b>TOTAL</b>                        | <b>BONDS</b>  | 744,479.43          | 807,138.43          |
| <b>EQUITIES</b>                     |   |                     |                     |
| <b>MUTUAL FUND-EQUITY</b>           |   |                     |                     |
| 5,000.148                           | FIDELITY SMALL CAP INDEX  | 114,353.38          | 107,700.00          |
| 1,755.136                           | VANGUARD SMALL CAP INDEX ADMIRAL<br>FUND #548                             | 159,524.31          | 104,162.78          |
| 2,914.838                           | VANGUARD 500 INDEX ADMIRAL FD<br>540                                      | 1,066,830.71        | 559,998.63          |
| <b>TOTAL</b>                        | <b>MUTUAL FUND-EQUITY</b>   | 1,340,708.40        | 771,861.41          |
| <b>MUTUAL FUNDS - INTERNATIONAL</b> |   |                     |                     |
| 21,851.939                          | VANGUARD DEVELOPED MARKETS INDEX<br>ADM                                   | 284,293.73          | 284,818.24          |
| <b>TOTAL</b>                        | <b>MUTUAL FUNDS - INTERNATIONAL</b>                                       | 284,293.73          | 284,818.24          |
| <b>TOTAL</b>                        | <b>EQUITIES</b>   | 1,625,002.13        | 1,056,679.65        |
| <b>GRAND TOTAL ASSETS</b>           |   | <b>2,474,868.63</b> | <b>1,969,205.15</b> |

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ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: AUGUST 01, 2022 THROUGH AUGUST 31, 2022

TRANSACTION SUMMARY

|                                 | CURRENT PERIOD   |                     | YEAR TO DATE       |                     |
|---------------------------------|------------------|---------------------|--------------------|---------------------|
|                                 | CASH             | COST                | CASH               | COST                |
| BEGINNING BALANCE               | 0.00             | 1,967,359.79        | 0.00               | 1,910,678.59        |
| <b>RECEIPTS</b>                 |                  |                     |                    |                     |
| INTEREST                        | 66.25            |                     | 83.69              |                     |
| DIVIDENDS                       | 1,779.11         |                     | 24,878.51          |                     |
| <b>TOTAL RECEIPTS</b>           | <b>1,845.36</b>  | <b>0.00</b>         | <b>24,962.20</b>   | <b>0.00</b>         |
| <b>CASH DISBURSEMENTS</b>       |                  |                     |                    |                     |
| TO OR FOR CUSTOMER FEES         |                  |                     | 43,694.94-         |                     |
|                                 |                  |                     | 11,605.49-         |                     |
| <b>TOTAL CASH DISBURSEMENTS</b> | <b>0.00</b>      | <b>0.00</b>         | <b>55,300.43-</b>  | <b>0.00</b>         |
| <b>PURCHASES</b>                |                  |                     |                    |                     |
| ASSETS PURCHASED                |                  |                     | 211,237.80-        | 211,237.80          |
| NET CASH MANAGEMENT             | 1,845.36-        | 1,845.36            |                    |                     |
| <b>TOTAL PURCHASES</b>          | <b>1,845.36-</b> | <b>1,845.36</b>     | <b>211,237.80-</b> | <b>211,237.80</b>   |
| <b>SALES/MATURITIES</b>         |                  |                     |                    |                     |
| ASSETS SOLD/MATURED             |                  |                     | 205,509.16         | 116,907.35-         |
| LT CAP GAIN DIVIDEND            |                  |                     | 262.98             |                     |
| NET CASH MANAGEMENT             |                  |                     | 35,803.89          | 35,803.89-          |
| <b>TOTAL SALES/MATURITIES</b>   | <b>0.00</b>      | <b>0.00</b>         | <b>241,576.03</b>  | <b>152,711.24-</b>  |
| <b>ENDING BALANCE</b>           | <b>0.00</b>      | <b>1,969,205.15</b> | <b>0.00</b>        | <b>1,969,205.15</b> |



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TRANSACTION DETAIL

| DATE     | QUANTITY | DESCRIPTION  | TRANSACTION TYPE | CASH            | COST BASIS   |
|----------|----------|--|------------------|-----------------|--------------|
| 08/01/22 |          | BEGINNING BALANCE  |                  | 0.00            | 1,967,359.79 |
|          |          | <b>RECEIPTS</b>  |                  |                 |              |
|          |          | INTEREST   |                  |                 |              |
| 08/02/22 |          | ALERUS FINANCIAL MMKT INTEREST ON ALERUS FINANCIAL MMKT PAYABLE 08/01/22   | INTEREST RCVD    | 66.25           |              |
|          |          | TOTAL INTEREST   |                  | 66.25           | 0.00         |
|          |          | <b>DIVIDENDS</b>   |                  |                 |              |
| 08/01/22 |          | VANGUARD TOTAL BOND INDEX ADMIRAL FUND #584 DIVIDEND ON VANGUARD TOTAL BOND INDEX ADMIRAL FUND #584 PAYABLE 08/01/22 EX DATE 07/29/22                                | DIVIDEND         | 679.82          |              |
| 08/01/22 |          | VANGUARD INTERMEDIATE TERM CORPORATE FUND ADMIRAL SHARES, FUND #571 DIVIDEND ON VANGUARD INTERMEDIATE TERM CORPORATE FUND ADMIRAL SHARES, FUND #571 PAYABLE 08/01/22 | DIVIDEND         | 1,099.29        |              |
|          |          | TOTAL DIVIDENDS  |                  | 1,779.11        | 0.00         |
|          |          | <b>TOTAL RECEIPTS</b>  |                  | <b>1,845.36</b> | <b>0.00</b>  |

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: AUGUST 01, 2022 THROUGH AUGUST 31, 2022

TRANSACTION DETAIL ( CONTINUED )

| DATE                      | QUANTITY  | DESCRIPTION   | TRANSACTION TYPE | CASH             | COST BASIS      |
|---------------------------|-----------|---|------------------|------------------|-----------------|
| <b>PURCHASES</b>          |           |   |                  |                  |                 |
| NET CASH MANAGEMENT       |           |   |                  |                  |                 |
| 08/31/22                  | 1,845.360 | ALERUS FINANCIAL MMKT<br>NET DEPOSIT ALERUS FINANCIAL<br>MMKT | NET CASH MGMT    | 1,845.36-        | 1,845.36        |
| TOTAL NET CASH MANAGEMENT |           |   |                  | 1,845.36-        | 1,845.36        |
| <b>TOTAL PURCHASES</b>    |           |   |                  | <b>1,845.36-</b> | <b>1,845.36</b> |
| 08/31/22                  |           | <b>ENDING BALANCE</b>   |                  | 0.00             | 1,969,205.15    |

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**ACCOUNT STATEMENT**

ACCOUNT NUMBER: 1050615699  
 STATEMENT PERIOD: SEPTEMBER 01, 2022 THROUGH SEPTEMBER 30, 2022

PLYMOUTH DISTRICT LIBRARY  
 ATTN: SHAUNA ANDERSON  
 223 S MAIN ST  
 PLYMOUTH, MI 48170




|                       |   |
|-----------------------|---|
| ACCOUNT NAME:         | PLYMOUTH DISTRICT LIBRARY<br>VEBA AGENCY                            |
| ACCOUNT NUMBER:       | 1050615699  |
| ADVISOR:              | JOE GILBERTSON<br>JOE.GILBERTSON@ALERUS.COM                         |
| ASSOCIATE:            | HEATHER BERGANTINE<br>701-280-5032<br>heather.bergantine@alerus.com |
| INVESTMENT OBJECTIVE: | MICHIGAN ACCOUNT  |

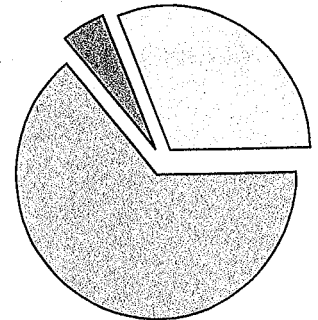
**FOR YOUR INFORMATION**

THIS IS YOUR STATEMENT OF ASSETS AND TRANSACTIONS FOR THE PERIOD. PLEASE CONTACT YOUR ADVISOR OR ASSOCIATE IF YOU HAVE ANY QUESTIONS REGARDING YOUR STATEMENT.

WE RECENTLY LAUNCHED A NEW DESKTOP AND MOBILE APP EXPERIENCE, MY ALERUS. SEE YOUR ENTIRE RELATIONSHIP IN A SINGLE VIEW.

**PORTFOLIO SUMMARY**

| MARKET VALUE AS OF  | 09/01/22            | 09/30/22            | % OF ACCOUNT  |
|---|---------------------|---------------------|---------------|
|  BONDS                   | 744,479.43          | 708,707.69          | 31.0%         |
|  CASH & CASH EQUIVALENTS | 105,387.07          | 112,918.35          | 4.9%          |
|  EQUITIES                | 1,625,002.13        | 1,466,677.66        | 64.1%         |
| <b>Total</b>  | <b>2,474,868.63</b> | <b>2,288,303.70</b> | <b>100.0%</b> |



**ACTIVITY SUMMARY**

|                        | THIS PERIOD  | YEAR TO DATE | REALIZED CAPITAL GAINS / LOSSES |                       |
|------------------------|--------------|--------------|---------------------------------|-----------------------|
|                        |              |              | THIS PERIOD                     | YEAR TO DATE          |
| BEGINNING MARKET VALUE | 2,474,868.63 | 2,963,617.07 |                                 |                       |
| INCOME                 | 7,531.28     | 32,493.48    |                                 |                       |
| CASH DISBURSEMENTS     | 0.00         | 55,300.43-   | LONG TERM                       | 0.00 88,864.79        |
| CHANGE IN MARKET VALUE | 194,096.21-  | 652,506.42-  | <b>TOTAL GAINS / LOSSES</b>     | <b>0.00 88,864.79</b> |
| ENDING MARKET VALUE    | 2,288,303.70 | 2,288,303.70 |                                 |                       |

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ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: SEPTEMBER 01, 2022 THROUGH SEPTEMBER 30, 2022

**PORTFOLIO STATEMENT**

| QUANTITY                            | DESCRIPTION   | MARKET VALUE        | COST BASIS          |
|-------------------------------------|---|---------------------|---------------------|
| <b>CASH &amp; CASH EQUIVALENTS</b>  |   |                     |                     |
| 112,918.350                         | ALERUS FINANCIAL MMKT   | 112,918.35          | 112,918.35          |
| <b>TOTAL</b>                        | <b>CASH &amp; CASH EQUIVALENTS</b>                                  | 112,918.35          | 112,918.35          |
| <b>BONDS</b>                        |   |                     |                     |
| <b>MUTUAL FUND - BONDS</b>          |   |                     |                     |
| 33,715.001                          | VANGUARD TOTAL BOND INDEX ADMIRAL FUND #584                         | 316,583.86          | 358,480.16          |
| 48,350.657                          | VANGUARD INTERMEDIATE TERM CORPORATE FUND ADMIRAL SHARES, FUND #571 | 392,123.83          | 448,658.27          |
| <b>TOTAL</b>                        | <b>MUTUAL FUND - BONDS</b>  | 708,707.69          | 807,138.43          |
| <b>TOTAL</b>                        | <b>BONDS</b>  | 708,707.69          | 807,138.43          |
| <b>EQUITIES</b>                     |   |                     |                     |
| <b>MUTUAL FUND-EQUITY</b>           |   |                     |                     |
| 5,000.148                           | FIDELITY SMALL CAP INDEX  | 103,403.06          | 107,700.00          |
| 1,755.136                           | VANGUARD SMALL CAP INDEX ADMIRAL FUND #548                          | 143,728.09          | 104,162.78          |
| 2,914.838                           | VANGUARD 500 INDEX ADMIRAL FD 540                                   | 964,315.86          | 559,998.63          |
| <b>TOTAL</b>                        | <b>MUTUAL FUND-EQUITY</b>   | 1,211,447.01        | 771,861.41          |
| <b>MUTUAL FUNDS - INTERNATIONAL</b> |   |                     |                     |
| 21,851.939                          | VANGUARD DEVELOPED MARKETS INDEX ADM                                | 255,230.65          | 284,818.24          |
| <b>TOTAL</b>                        | <b>MUTUAL FUNDS - INTERNATIONAL</b>                                 | 255,230.65          | 284,818.24          |
| <b>TOTAL</b>                        | <b>EQUITIES</b>   | 1,466,677.66        | 1,056,679.65        |
| <b>GRAND TOTAL ASSETS</b>           |   | <b>2,288,303.70</b> | <b>1,976,736.43</b> |

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ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: SEPTEMBER 01, 2022 THROUGH SEPTEMBER 30, 2022

TRANSACTION SUMMARY

|                                 | CURRENT PERIOD   |                 | YEAR TO DATE       |                    |
|---------------------------------|------------------|-----------------|--------------------|--------------------|
|                                 | CASH             | COST            | CASH               | COST               |
| BEGINNING BALANCE               | 0.00             | 1,969,205.15    | 0.00               | 1,910,678.69       |
| <b>RECEIPTS</b>                 |                  |                 |                    |                    |
| INTEREST                        | 66.20            |                 | 149.89             |                    |
| DIVIDENDS                       | 7,465.08         |                 | 32,343.59          |                    |
| <b>TOTAL RECEIPTS</b>           | <b>7,531.28</b>  | <b>0.00</b>     | <b>32,493.48</b>   | <b>0.00</b>        |
| <b>CASH DISBURSEMENTS</b>       |                  |                 |                    |                    |
| TO OR FOR CUSTOMER FEES         |                  |                 | 43,694.94-         |                    |
| <b>TOTAL CASH DISBURSEMENTS</b> | <b>0.00</b>      | <b>0.00</b>     | <b>65,300.43-</b>  | <b>0.00</b>        |
| <b>PURCHASES</b>                |                  |                 |                    |                    |
| ASSETS PURCHASED                |                  |                 | 211,237.80-        | 211,237.80         |
| NET CASH MANAGEMENT             | 7,531.28-        | 7,531.28        |                    |                    |
| <b>TOTAL PURCHASES</b>          | <b>7,531.28-</b> | <b>7,531.28</b> | <b>211,237.80-</b> | <b>211,237.80</b>  |
| <b>SALES/MATURITIES</b>         |                  |                 |                    |                    |
| ASSETS SOLD/MATURED             |                  |                 | 205,509.16         | 116,907.35-        |
| LT CAP GAIN DIVIDEND            |                  |                 | 262.98             |                    |
| NET CASH MANAGEMENT             |                  |                 | 28,272.61          | 28,272.61-         |
| <b>TOTAL SALES/MATURITIES</b>   | <b>0.00</b>      | <b>0.00</b>     | <b>234,044.75</b>  | <b>145,179.96-</b> |
| ENDING BALANCE                  | 0.00             | 1,976,736.43    | 0.00               | 1,976,736.43       |

TRANSACTION DETAIL

| DATE     | QUANTITY | DESCRIPTION  | TRANSACTION TYPE | CASH     | COST BASIS   |
|----------|----------|--|------------------|----------|--------------|
| 09/01/22 |          | BEGINNING BALANCE  |                  | 0.00     | 1,969,205.15 |
|          |          | <b>RECEIPTS</b>  |                  |          |              |
|          |          | INTEREST   |                  |          |              |
| 09/02/22 |          | ALERUS FINANCIAL MMKT<br>INTEREST ON ALERUS FINANCIAL<br>MMKT PAYABLE 09/01/22   | INTEREST RCVD    | 66.20    |              |
|          |          | TOTAL INTEREST   |                  | 66.20    | 0.00         |
|          |          | <b>DIVIDENDS</b>   |                  |          |              |
| 09/01/22 |          | VANGUARD TOTAL BOND INDEX<br>ADMIRAL FUND #584<br>DIVIDEND ON VANGUARD TOTAL BOND<br>INDEX ADMIRAL FUND #584 PAYABLE<br>09/01/22 EX DATE 08/31/22                                      | DIVIDEND         | 697.21   |              |
| 09/19/22 |          | VANGUARD DEVELOPED MARKETS INDEX<br>ADM<br>DIVIDEND ON 21,851.939 SHS<br>VANGUARD DEVELOPED MARKETS INDEX<br>ADM AT .0378 PER SHARE PAYABLE<br>09/19/22 EX DATE 09/16/22               | DIVIDEND         | 826.00   |              |
| 09/01/22 |          | VANGUARD INTERMEDIATE TERM<br>CORPORATE FUND ADMIRAL SHARES,<br>FUND #571<br>DIVIDEND ON VANGUARD<br>INTERMEDIATE TERM CORPORATE FUND<br>ADMIRAL SHARES, FUND #571<br>PAYABLE 09/01/22 | DIVIDEND         | 1,093.56 |              |

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ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: SEPTEMBER 01, 2022 THROUGH SEPTEMBER 30, 2022

**TRANSACTION DETAIL ( CONTINUED )**

| DATE     | QUANTITY  | DESCRIPTION   | TRANSACTION TYPE | CASH             | COST BASIS      |
|----------|-----------|---|------------------|------------------|-----------------|
| 09/23/22 |           | VANGUARD SMALL CAP INDEX ADMIRAL FUND #548<br>DIVIDEND ON 1,755.136 SHS<br>VANGUARD SMALL CAP INDEX ADMIRAL FUND #548 AT .3189 PER SHARE<br>PAYABLE 09/23/22 EX DATE 09/22/22 | DIVIDEND         | 559.71           |                 |
| 09/28/22 |           | VANGUARD 500 INDEX ADMIRAL FD 540<br>DIVIDEND ON 2,914.838 SHS<br>VANGUARD 500 INDEX ADMIRAL FD 540 AT 1.4713 PER SHARE PAYABLE 09/28/22 EX DATE 09/27/22                     | DIVIDEND         | 4,288.60         |                 |
|          |           | TOTAL DIVIDENDS   |                  | 7,465.08         | 0.00            |
|          |           | <b>TOTAL RECEIPTS</b>   |                  | <b>7,531.28</b>  | <b>0.00</b>     |
|          |           | <b>PURCHASES</b>  |                  |                  |                 |
|          |           | NET CASH MANAGEMENT   |                  |                  |                 |
| 09/30/22 | 7,531.280 | ALERUS FINANCIAL MMKT<br>NET DEPOSIT ALERUS FINANCIAL MMKT  | NET CASH MGMT    | 7,531.28-        | 7,531.28        |
|          |           | TOTAL NET CASH MANAGEMENT   |                  | 7,531.28-        | 7,531.28        |
|          |           | <b>TOTAL PURCHASES</b>  |                  | <b>7,531.28-</b> | <b>7,531.28</b> |
| 09/30/22 |           | ENDING BALANCE  |                  | 0.00             | 1,976,736.43    |

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# ACCOUNT STATEMENT

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: OCTOBER 01, 2022 THROUGH OCTOBER 31, 2022



PLYMOUTH DISTRICT LIBRARY  
ATTN: SHAUNA ANDERSON  
223 S MAIN ST  
PLYMOUTH, MI 48170




|                          |   |
|--------------------------|---|
| ACCOUNT NAME:            | PLYMOUTH DISTRICT LIBRARY<br>VEBA AGENCY                            |
| ACCOUNT NUMBER:          | 1050615699  |
| ADVISOR:                 | JOE GILBERTSON<br>JOE.GILBERTSON@ALERUS.COM                         |
| ASSOCIATE:               | HEATHER BERGANTINE<br>701-280-5032<br>heather.bergantine@alerus.com |
| INVESTMENT<br>OBJECTIVE: | MICHIGAN ACCOUNT  |

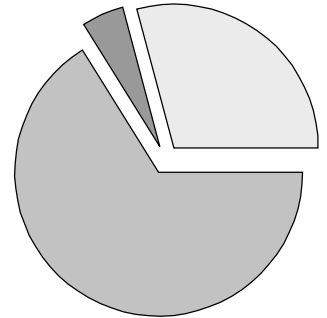
## FOR YOUR INFORMATION

THIS IS YOUR STATEMENT OF ASSETS AND TRANSACTIONS FOR THE PERIOD. PLEASE CONTACT YOUR ADVISOR OR ASSOCIATE IF YOU HAVE ANY QUESTIONS REGARDING YOUR STATEMENT.

WE RECENTLY LAUNCHED A NEW DESKTOP AND MOBILE APP EXPERIENCE, MY ALERUS. SEE YOUR ENTIRE RELATIONSHIP IN A SINGLE VIEW.

## PORTFOLIO SUMMARY

| MARKET VALUE AS OF  | 10/01/22            | 10/31/22            | % OF ACCOUNT  |
|---|---------------------|---------------------|---------------|
|  BONDS                   | 708,707.69          | 700,749.40          | 29.2%         |
|  CASH & CASH EQUIVALENTS | 112,918.35          | 111,253.41          | 4.6%          |
|  EQUITIES                | 1,466,677.66        | 1,585,387.75        | 66.2%         |
| <b>Total</b>  | <b>2,288,303.70</b> | <b>2,397,390.56</b> | <b>100.0%</b> |



## ACTIVITY SUMMARY

|                        | THIS PERIOD  | YEAR TO DATE | REALIZED CAPITAL GAINS / LOSSES |                  |
|------------------------|--------------|--------------|---------------------------------|------------------|
|                        |              |              | THIS PERIOD                     | YEAR TO DATE     |
| BEGINNING MARKET VALUE | 2,288,303.70 | 2,963,617.07 |                                 |                  |
| INCOME                 | 1,865.92     | 34,359.40    |                                 |                  |
| CASH DISBURSEMENTS     | 3,530.86-    | 58,831.29-   | LONG TERM                       | 0.00             |
| CHANGE IN MARKET VALUE | 110,751.80   | 541,754.62-  | <b>TOTAL GAINS / LOSSES</b>     | <b>88,864.79</b> |
| ENDING MARKET VALUE    | 2,397,390.56 | 2,397,390.56 |                                 |                  |

# ACCOUNT STATEMENT

PAGE 2

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: OCTOBER 01, 2022 THROUGH OCTOBER 31, 2022

## PORTFOLIO STATEMENT

| QUANTITY                           | DESCRIPTION   | MARKET VALUE        | COST BASIS          |
|------------------------------------|---|---------------------|---------------------|
| <b>CASH &amp; CASH EQUIVALENTS</b> |   |                     |                     |
| 111,253.410                        | ALERUS FINANCIAL MMKT   | 111,253.41          | 111,253.41          |
| <b>TOTAL</b>                       | <b>CASH &amp; CASH EQUIVALENTS</b>  | <b>111,253.41</b>   | <b>111,253.41</b>   |
| <b>BONDS</b>                       |   |                     |                     |
| MUTUAL FUND - BONDS                |   |                     |                     |
| 33,715.001                         | VANGUARD TOTAL BOND INDEX<br>ADMIRAL FUND #584                            | 311,526.61          | 358,480.16          |
| 48,350.657                         | VANGUARD INTERMEDIATE TERM<br>CORPORATE FUND ADMIRAL SHARES,<br>FUND #571 | 389,222.79          | 448,658.27          |
| <b>TOTAL</b>                       | <b>MUTUAL FUND - BONDS</b>  | <b>700,749.40</b>   | <b>807,138.43</b>   |
| <b>TOTAL</b>                       | <b>BONDS</b>  | <b>700,749.40</b>   | <b>807,138.43</b>   |
| <b>EQUITIES</b>                    |   |                     |                     |
| MUTUAL FUND-EQUITY                 |   |                     |                     |
| 5,000.148                          | FIDELITY SMALL CAP INDEX  | 114,753.40          | 107,700.00          |
| 1,755.136                          | VANGUARD SMALL CAP INDEX ADMIRAL<br>FUND #548                             | 157,979.79          | 104,162.78          |
| 2,914.838                          | VANGUARD 500 INDEX ADMIRAL FD<br>540                                      | 1,042,346.07        | 559,998.63          |
| <b>TOTAL</b>                       | <b>MUTUAL FUND-EQUITY</b>   | <b>1,315,079.26</b> | <b>771,861.41</b>   |
| MUTUAL FUNDS - INTERNATIONAL       |   |                     |                     |
| 21,851.939                         | VANGUARD DEVELOPED MARKETS INDEX<br>ADM                                   | 270,308.49          | 284,818.24          |
| <b>TOTAL</b>                       | <b>MUTUAL FUNDS - INTERNATIONAL</b>                                       | <b>270,308.49</b>   | <b>284,818.24</b>   |
| <b>TOTAL</b>                       | <b>EQUITIES</b>   | <b>1,585,387.75</b> | <b>1,056,679.65</b> |
| <b>GRAND TOTAL ASSETS</b>          |   | <b>2,397,390.56</b> | <b>1,975,071.49</b> |

# ACCOUNT STATEMENT

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: OCTOBER 01, 2022 THROUGH OCTOBER 31, 2022

## TRANSACTION SUMMARY

|                                 | CURRENT PERIOD   |                     | YEAR TO DATE       |                     |
|---------------------------------|------------------|---------------------|--------------------|---------------------|
|                                 | CASH             | COST                | CASH               | COST                |
| <b>BEGINNING BALANCE</b>        | 0.00             | 1,976,736.43        | 0.00               | 1,910,678.59        |
| <b>RECEIPTS</b>                 |                  |                     |                    |                     |
| INTEREST                        | 65.60            |                     | 215.49             |                     |
| DIVIDENDS                       | 1,800.32         |                     | 34,143.91          |                     |
| <b>TOTAL RECEIPTS</b>           | <b>1,865.92</b>  | <b>0.00</b>         | <b>34,359.40</b>   | <b>0.00</b>         |
| <b>CASH DISBURSEMENTS</b>       |                  |                     |                    |                     |
| TO OR FOR CUSTOMER FEES         |                  |                     | 43,694.94-         |                     |
| <b>TOTAL CASH DISBURSEMENTS</b> | <b>3,530.86-</b> | <b>0.00</b>         | <b>58,831.29-</b>  | <b>0.00</b>         |
| <b>PURCHASES</b>                |                  |                     |                    |                     |
| ASSETS PURCHASED                |                  |                     | 211,237.80-        | 211,237.80          |
| <b>TOTAL PURCHASES</b>          | <b>0.00</b>      | <b>0.00</b>         | <b>211,237.80-</b> | <b>211,237.80</b>   |
| <b>SALES/MATURITIES</b>         |                  |                     |                    |                     |
| ASSETS SOLD/MATURED             |                  |                     | 205,509.16         | 116,907.35-         |
| LT CAP GAIN DIVIDEND            |                  |                     | 262.98             |                     |
| NET CASH MANAGEMENT             | 1,664.94         | 1,664.94-           | 29,937.55          | 29,937.55-          |
| <b>TOTAL SALES/MATURITIES</b>   | <b>1,664.94</b>  | <b>1,664.94-</b>    | <b>235,709.69</b>  | <b>146,844.90-</b>  |
| <b>ENDING BALANCE</b>           | <b>0.00</b>      | <b>1,975,071.49</b> | <b>0.00</b>        | <b>1,975,071.49</b> |

## TRANSACTION DETAIL

| DATE            | QUANTITY | DESCRIPTION  | TRANSACTION TYPE | CASH            | COST BASIS   |
|-----------------|----------|--|------------------|-----------------|--------------|
| 10/01/22        |          | <b>BEGINNING BALANCE</b>   |                  | 0.00            | 1,976,736.43 |
| <b>RECEIPTS</b> |          |  |                  |                 |              |
| INTEREST        |          |  |                  |                 |              |
| 10/04/22        |          | ALERUS FINANCIAL MMKT<br>INTEREST ON ALERUS FINANCIAL<br>MMKT PAYABLE 10/01/22   | INTEREST RCVD    | 65.60           |              |
|                 |          | TOTAL INTEREST   |                  | 65.60           | 0.00         |
| DIVIDENDS       |          |  |                  |                 |              |
| 10/03/22        |          | VANGUARD TOTAL BOND INDEX<br>ADMIRAL FUND #584<br>DIVIDEND ON VANGUARD TOTAL BOND<br>INDEX ADMIRAL FUND #584 PAYABLE<br>10/03/22 EX DATE 09/30/22                                      | DIVIDEND         | 690.85          |              |
| 10/03/22        |          | VANGUARD INTERMEDIATE TERM<br>CORPORATE FUND ADMIRAL SHARES,<br>FUND #571<br>DIVIDEND ON VANGUARD<br>INTERMEDIATE TERM CORPORATE FUND<br>ADMIRAL SHARES, FUND #571<br>PAYABLE 10/03/22 | DIVIDEND         | 1,109.47        |              |
|                 |          | TOTAL DIVIDENDS  |                  | 1,800.32        | 0.00         |
|                 |          | <b>TOTAL RECEIPTS</b>  |                  | <b>1,865.92</b> | <b>0.00</b>  |

# ACCOUNT STATEMENT

PAGE 4

ACCOUNT NUMBER: 1050615699

STATEMENT PERIOD: OCTOBER 01, 2022 THROUGH OCTOBER 31, 2022

## TRANSACTION DETAIL ( CONTINUED )

| DATE                      | QUANTITY   | DESCRIPTION   | TRANSACTION<br>TYPE | CASH             | COST BASIS       |
|---------------------------|------------|---|---------------------|------------------|------------------|
| <b>CASH DISBURSEMENTS</b> |            |   |                     |                  |                  |
| 10/18/22                  |            | TRUSTEE FEE ALERUS FINANCIAL NA<br>FOR THE PERIOD 10/01/22 TO<br>12/31/22 | DISBURSEMENT        | 3,530.86-        |                  |
|                           |            | TOTAL FEES  |                     | 3,530.86-        | 0.00             |
|                           |            | <b>TOTAL CASH DISBURSEMENTS</b>   |                     | <b>3,530.86-</b> | <b>0.00</b>      |
| <b>SALES/MATURITIES</b>   |            |   |                     |                  |                  |
| NET CASH MANAGEMENT       |            |   |                     |                  |                  |
| 10/31/22                  | 1,664.940- | ALERUS FINANCIAL MMKT<br>NET WITHDRAWAL ALERUS FINANCIAL<br>MMKT          | NET CASH MGMT       | 1,664.94         | 1,664.94-        |
|                           |            | TOTAL NET CASH MANAGEMENT   |                     | 1,664.94         | 1,664.94-        |
|                           |            | <b>TOTAL SALES/MATURITIES</b>   |                     | <b>1,664.94</b>  | <b>1,664.94-</b> |
| 10/31/22                  |            | ENDING BALANCE  |                     | 0.00             | 1,975,071.49     |

5.2



**TO:** PDL VEBA Committee  
**RE:** Retiree Reimbursement  
Option Updates

**DATE:** November 6, 2022  
**FROM:** Shauna Anderson,  
Director

Following the approval of the VEBA plan amendment, we had 3 individuals move from the employee insurance census to make use of the reimbursement option. We anticipate another 2 individuals will also move to the reimbursement option starting in the new year. These changes present significant cost savings and provide the library with a more marketable insurance profile for our next bid process in May 2023.

6.1



**TO:** PDL VEBA Committee

**DATE:** November 6, 2022

**RE:** Allocation Rebalancing Policy  
Statements

**FROM:** Shauna Anderson,  
Director

I have attached an example of a Michigan-based, public employer's VEBA investment guidelines to this memo. I have also asked our account representatives to provide additional examples to support our discussion.

The need for an asset allocation policy will help the committee determine the appropriate timelines for rebalancing VEBA funds in a volatile market environment, and serve as a guide for the overall goals of our investment actions.

Based on our discussion today, I will draft a policy statement that can be brought to the full board for approval.



**BAY COUNTY VOLUNTARY EMPLOYEES'**  
**BENEFICIARY ASSOCIATION**

**STATEMENT OF INVESTMENT  
POLICIES AND OBJECTIVES**

**I. INTRODUCTION**

The Bay County Voluntary Employees' Beneficiary Association (VEBA) Trust was established for the purpose of providing, through Health Care Organizations, on a pre-funded basis, medical benefits for retired employees, their spouses and dependents of the County and its Component Units. To provide for such other life, sick, accident, vacation or other post employment benefits as defined in Section 501 (c)(9) of the Internal Revenue Code of 1986 and permitted under the State of Michigan, Public Act 149 of 1999 entitled "Public Employee Health Care Fund Investment Act".

The VEBA Trust agreement became effective 9/30/01 with the adoption, on 9/24/01, of resolution 2001-242 by the Bay County Board of Commissioners.

Attached, as a part of this document, are P.A. 149 of 1999 and Resolution 2001-242, which includes the Bay County Voluntary Employees' Beneficiary Association Trust Agreement. :

The purpose of this document is to set forth the investment policies and objectives with respect to the assets of the VEBA in order that:

1. Standards for the safekeeping of VEBA assets are specified.
2. There is a clear understanding by all parties of the goals pertaining to the investment of the VEBA assets
3. There is a basis for the evaluation of the investment performance of the VEBA and its investment managers.

4. The duties and responsibilities of the VEBA Board of Trustees (“Trustees”) and staff are defined.
5. Criteria for investment diversification and investment manager selection are established.

## **II. SAFEKEEPING OF ASSETS**

1. All assets which are part of separately managed investment portfolios are to be held in a designated trust account at a custodian bank licensed to conduct business in Michigan.
2. All pooled funds (mutual funds, collective investment trusts, money market funds, etc.) must provide independent audit of fund assets at least annually.

## **III. INVESTMENT OBJECTIVES**

The VEBA assets serve as the primary vehicle for the investment of assets to facilitate the prefunding retiree health care and other post employment benefits. Therefore, the VEBA assets are to be managed in a way that produces a balance portfolio of income and capital appreciation at a moderate level of risk in order to meet the County’s future post employment benefit obligations.

The investment objectives of the VEBA are to:

1. Achieve a targeted annual investment rate of return of 4.0% greater than the rate of inflation over a rolling 5-year periods; and
2. Achieve 100% funding of the actuarial accrued liabilities.

#### **IV. PHILOSOPHY AND VEBA OPERATION**

All assets of the VEBA are to be used for the exclusive benefit of the VEBA members. VEBA assets shall be invested solely in the interest of the VEBA beneficiaries for the exclusive purpose of:

1. Funding medical or other post-employment benefits to retired employees, their spouses and dependents.
2. Defraying the administrative expenses of the VEBA.

It is the duty of the Trustees to supervise the management of the VEBA assets in accordance with this policy and the VEBA Trust Agreement, as may be amended from time to time.

The Trustees may delegate specific VEBA management duties to the VEBA Finance Officer / Secretary.

#### **V. PERMITTED INVESTMENTS**

All investment fiduciaries are required to invest the assets of the VEBA in accordance with this investment policy and in compliance with Section 13 of the Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended (MCL 38.1133, *et seq*, as amended) which is attached and is incorporated into this policy by reference; as well as any other applicable state and federal laws, regulations, and rules not specifically mentioned herein.

## VI. ASSET ALLOCATION – TOTAL VEBA

|                            | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
|----------------------------|----------------|---------------|----------------|
| <b><u>Equity</u></b>       |                |               |                |
| Domestic                   | 40             | 60            | 70             |
| International              | 0              | 5             | 20             |
| Total                      | 40             | 65            | 70             |
| <b><u>Fixed Income</u></b> |                |               |                |
| Domestic                   | 20             | 25            | 60             |
| International              | 0              | 5             | 20             |
| Total                      | 20             | 30            | 80             |
| <b>Real Estate</b>         | 0              | 3             | 5              |
| <b>Cash</b>                | 0              | 2             | 5              |

If multiple investment managers are employed, asset allocations among investment managers will be rebalanced by the Trustees in order to maintain allocations within the policy guidelines set forth herein. The VEBA's Finance Officer / Secretary in conjunction with its Consultant shall monitor the asset allocation and, from time to time, recommend to the Trustees changes needed to rebalance the fund in order that allocation of assets remain within the above asset allocation guidelines. As a result of market fluctuations, benefit payments, administrative expenses and contributions to the VEBA rebalancing should occur periodically, no later than 2 quarters after the rebalancing targets have been reached, to ensure that the asset deployment is within the stated guidelines. For the purpose of rebalancing, it will be assumed that all assets held by a manager are either invested in the asset class or held in reserve to be invested in the asset class in which the manager was hired to invest. The Consultant in conjunction with the

Finance Officer / Secretary shall confer with the Trustees from time to time to determine whether changes in the asset allocation are required.

#### **VII. DIVERSIFICATION**

The investment of the VEBAs assets shall be broadly diversified to reduce the risk of large losses. The Trustees are responsible for diversifying by asset class and investment manager style. Each investment manager is responsible for diversifying within the asset management style for which they have been selected. Diversification guidelines as established by the state law governing public employees' retirement system investments, PA 314 of 1965, as amended, shall be adhered to by the trustees regarding the benchmark by which the VEBA and all investment managers will be held responsible.

#### **VIII. INVESTMENT MANAGER SELECTION**

The responsibility for managing VEBAs assets will be delegated to investment managers with expertise appropriate for their assigned role. Both mutual / comingled funds and separately managed accounts are acceptable. The Consultant will assist the Trustees and the Finance Officer / Secretary with hiring and monitoring the investment performance the investment managers. All investment managers must be Registered Advisors under the U. S. Securities and Exchange Commission, Investment Advisors Act of 1940. Managers must have a minimum of \$100 million of assets under management and have a minimum of five years of experience in the investment discipline for which they are selected.

## **IX. LIQUIDITY**

The VEBA will maintain adequate liquidity to meet benefit payments and administrative expenses. Investment managers will be advised as far in advance as possible of additions to or withdrawals from their portfolios.

## **X. FIXED INCOME MINIMUM RATING/DURATION STANDARDS**

No individual fixed income security shall have a Moody's investment rating below "Baa3" or a Standard & Poor's rating below "BBB-". The total fixed income portfolio of each fixed income manager shall have an average rating of "A" or better from either rating agency. The effective duration of the portfolio may not vary more than +/- two (2) years from the effective duration of the Barclays Capital Aggregate Bond Index.

## **XI. PROHIBITED INVESTMENTS**

Within the guidelines set forth within, the investment managers have full discretion over the management of funds in their care with the exception of the following prohibited investments:

1. Venture Capital
2. Letter Stock
3. Options, except Covered Calls and Embedded Call and Put Options
4. Commodity / Future Contracts
5. Private Placements, except Rule 144(A) Fixed Income Securities
6. Limited Partnerships

7. Derivatives, except when they are within commingled / pooled investment vehicles

Regarding derivatives, the Trustees recognize that managers of or managers who purchase commingled / pooled investment vehicles cannot respond to the individual needs of each of their clients, therefore, these managers are to define their policies on derivatives and the Trustees shall make the judgment as to whether or not the manager's practices are in keeping with the spirit of the Trustees' policy on derivatives.

## **XII. POLICY AND OBJECTIVES REVIEW**

The policies and objectives of the VEBA will be reviewed at least annually by the Trustees and Finance Officer / Secretary. Their focus will be on the continued feasibility and appropriateness of the VEBAs investment policies and objectives. The Trustees should amend the VEBAs policies and objectives as deemed necessary.

## **XIII. PERFORMANCE REVIEW**

The investment performance of the VEBA and its investment managers will be reviewed no less than quarterly by the Trustees and Finance Officer / Secretary. Performance reviews will focus on investment results in relation to stated investment objectives and adherence to stated investment policies. The reviews will encompass investment market opportunities, performance in relation to risk, and comparison to managers with similar investment characteristics and other funds.

The VEBA is expected to realize a rate of return that is at least 4% greater than the rate of inflation over rolling 5-year periods. Additionally, the VEBAs rate of return should exceed a

customized index comprised of appropriate indices, must perform within the top one-third (1/3) of a recognized plan universe and in the top one-half (1/2) when compared to plans with a similar level of risk over a 3-to 5-five year period.

Each **domestic equity** investment manager is expected to exceed the performance of an appropriate peer group and market index. Over a 3- to 5-year period, equity investment managers will be expected to perform within the top one-third (1/3) of their specified style group, on a total fund basis, as defined by a recognized domestic equity fund style universe and to exceed their specific market benchmark.

**International equity** investment managers will be evaluated in comparison to an appropriate international investment peer group and market index. Over a 3- to 5-year period, international equity investment managers will be expected to rank within the top one-third (1/3) of a specified universe of actively managed international equity funds and exceed their specific market benchmark.

**Domestic** and **international fixed income** (bond) investment managers will be expected to rank within the top one-third (1/3) of a specified recognized bond fund universe and exceed their specific market benchmark over a 3- to 5-year period.

**Real estate** and **other specialized** investment managers will be expected to rank within the top one-third (1/3) of their specified investment peer group and exceed their specific market benchmark over a 3- to 5-year period.

Investment managers who do not meet the above objectives will be placed on probation and their performance will be subject to further review by the Trustees for possible termination

The VEBA and manager reviews will be conducted, by the VEBAs consultant, on a quarterly basis and will focus on adherence to this investment policy, progress toward achievement of its / their specific investment objectives and guidelines, and performance relative



to opportunities. Each investment manager will be required to submit written quarterly reports and meet with the Trustees at least once annually. The Trustees will make their determinations about manager retention and replacement based on the above criteria and their considered opinion of the merits of an investment manager's capabilities.

#### **VIX. TRADING**

Investment manager are prohibited from conducting investment transactions (trades) with or through any and all subsidiaries and / or parent organization.

#### **XV. DIRECTED BROKERAGE**

In order to reduce "out of pocket" expenses, the Trustees may require the domestic equity managers to utilized directed brokerage, provided that the directed brokerage can be competitive on total transaction costs.

#### **XVI. PROXY VOTING**

Unless notified otherwise, the investment managers shall have the authority to "vote" on all issues presented to stockholders. It is expected that managers will vote for the sole benefit of the VEBA and its beneficiaries. A summary of the votes cast shall be submitted to the Trustees on a quarterly basis. This summary must identify the company, number of shares held, subject proxy issue, votes (whether for or against management), and justification. Voting by proxies must conform to the provision set forth in the Public Employees' retirement Systems Act. Public Act 314 of 1965, as amended (MCLA38.1132 et seq., as amended).

XVII. ADOPTION

This investment policy is adopted by the following Trustees:

Federick L. Ryzop  
Trustee  
04.14.09  
Date

Will E. Watson  
Trustee  
04-14-09  
Date

[Signature]  
Trustee  
04-14-09  
Date

[Signature]  
Trustee  
4-14-09  
Date

Eugene F. Swyzdel  
Trustee  
4-14-09  
Date

Stuart G. Shy  
Trustee  
4/14/09  
Date

Narmo Samyn  
Trustee  
4/14/09  
Date