

5.1



TO: PDL VEBA Committee

DATE: February 6, 2023

RE: Account Update from Alerus

FROM: Shauna Anderson,
Director

Our newest account representative, Stanton Shields, will be presenting on the current status of the VEBA trust. Supplementary information on VEBA account performance and market conditions supplied by Alerus is attached to this memo.

5.2



TO: PDL VEBA Committee
RE: Allocation Rebalancing Policy
Statements

DATE: February 6, 2023
FROM: Shauna Anderson,
Director

I am attaching a drafted policy statement to support the investment goals of this committee going forward. Additional information is needed to support our asset allocation guidelines and performance standards.

INTRODUCTION

Plymouth District Library Voluntary Employee Beneficiary Association (VEBA) Trust was established for the purpose of providing medical benefits for retirees and their spouses on a pre-funded basis. The VEBA Trust Agreement was adopted in 20XX and amended in 2021 by resolution of the Plymouth District Library Board of Trustees.

The purposes of this document is to set forth the investment policies and objectives to ensure that standards for safekeeping of the VEBA assets are specified, there is a clear understanding of the goals pertaining to the investment of VEBA assets, and that there is a basis for evaluating the investment performance of the VEBA fund.

INVESTMENT OBJECTIVES

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 library's future post-employment benefit obligations.

1. Achieve a targeting annual investment rate of return of 4% greater than the rate of inflation over rolling 5-year periods; and
2. Achieve 100% funding of the actuarial accrued liabilities.

TARGET ASSET ALLOCATION

The VEBA board, alongside the Consultant, should monitor the asset allocation and, from time to time, recommend changes needed to rebalance the fund. 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.

Fund Type	Minimum	Target	Maximum

6.1



TO: PDL VEBA Committee

DATE: February 6, 2023

RE: Discussion on future funding
needs

FROM: Shauna Anderson,
Director

Upon reviewing the forecasted needs of the VEBA trust for the next 10 years, I anticipate that the fund will likely require significant investment to support another upcoming wave of retirement. As our actuarial valuations serve only to determine current funding needs, I'd like to discuss what we can anticipate moving forward and offer up additional suggestions that I believe the committee should consider to further increase the sustainability of our retiree medical insurance offerings.