

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
April 21, 2016**

The meeting was called to order by Jeremy Flack, Chairperson, at 9:57 a.m.

ROLL CALL

Members Present: Clark, DiGiovanni, Flack, Hastie, Lynch, Monroe
Members Absent: Crawford, Heusel, Nerdrum
Staff Present: Kluczynski, Walker
Others: Michael VanOverbeke, Legal Counsel

AUDIENCE COMMENTS – None

A. APPROVAL OF AGENDA

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

Approved

B. APPROVAL OF MINUTES – March 17, 2016

It was **moved** by Monroe and **seconded** by Clark to approve the March 17, 2016 Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA – None

D. EXECUTIVE SESSION – Retiree Health Care Request (Walker)

It was **moved** by Monroe and **seconded** by Clark to convene an Executive Session for the purpose of discussing a personnel matter at the request of the individual of which the matter pertains.

Approved

Roll call vote:

Clark - Yes	Flack - Yes	Lynch – Yes
Crawford - Absent	Hastie - Yes	Monroe - Yes
DiGiovanni - Yes	Heusel - Absent	Nerdrum - Absent

Both Ms. Walker and Ms. Kluczynski stepped out at this time.

Executive session time: 9:58 a.m. – 10:39 a.m.

Upon open session, Mr. Monroe stated that the Board still feels that this request is a contract renegotiation/amendment, and there will need to be a re-evaluation of the Executive Director's total compensation package. Although the Board had agreed in February that this month's discussion and decision will be considered Ms. Walker's annual performance evaluation, rather than waiting until the normal June/July timeframe, it has been decided to instead hold to the traditional procedure and conduct a performance evaluation before the June Board meeting with any adjustments to take effect on July 1st. Mr. Monroe stated that Mr. Heusel had made a specific request, and Ms. Nerdrum was also involved in the hiring process, and since they are not present today, the Board feels that they should be included in the evaluation discussion.

Mr. Hastie suggested that every effort be made by Trustees to attend the performance evaluation when a date has been set in order for everyone to provide their input, and Mr. VanOverbeke stated that it is also important to be prepared by having all of the necessary documentation available at that meeting as well, such as compensation/benefit comparisons, historical timeline, Trustee comments, etc.

E. ACTION ITEMS

E-1 Motion Regarding Retiree Health Care Request

No action taken at this time.

E-2 Proposed 2016/2017 Expenditure Budget

A discussion ensued regarding whether administrative costs should be allocated to the VEBA budget, and Ms. Walker was asked to investigate how much time staff is allocating to the VEBA, and report back within the next couple of Board meetings. Mr. VanOverbeke stated that both Systems will continue to grow, so at some point, it will have to be done and the question is when to start billing the VEBA for such administrative costs, even at a minimum of 5%, also noting the possibility of office space and facility charges. Mr. Hastie stated that he would be willing to review the findings of the report before it is presented to the Board of Trustees.

It was **moved** by Hastie and **seconded** by Clark to approve the amended budget.

Approved

F. DISCUSSION ITEMS - None

G. REPORTS

G-1 Investment Policy Committee Minutes – April 5, 2016

Following are the Investment Policy Committee minutes from the meeting convened at 3:14 p.m. on April 5, 2016:

Member(s) Present: Clark, Flack (via tx), Hastie, Monroe
Member(s) Absent: DiGiovanni
Other Trustees Present: None
Staff Present: Kluczynski, Walker
Others Present: Henry Jaung, Meketa Investment Group

FEBRUARY 29, 2016 INTERIM INVESTMENT REVIEW

Mr. Jaung presented the Interim Investment Review for February 29, 2016. As of February 29, 2016, the Fund was at \$124.5 million.

ADJOURNMENT

Meeting adjourned at 5:56 p.m.

G-2 Preliminary Investment Reports for the Month Ended March 31, 2016

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended March 31, 2016, to the Board of Trustees:

3/31/2016 Asset Value (Preliminary)	\$131,195,988
2/29/2016 Asset Value (Audited by Northern)	\$124,700,397
Calendar YTD Increase/Decrease in Assets	

(excludes non-investment receipts and disbursements)	\$6,497,764)
Percent Gain <Loss>	1.8%
April 20, 2016 Asset Value	\$ 136,299,933

G-3 Legal Report – No Report

H. TRUSTEE COMMENTS / SUGGESTIONS

Mr. Monroe asked if staff has heard anything from the City regarding the potential Plan structure that was discussed in March, and Ms. Walker stated that she has received no information from the City at this time.

I. FUTURE AGENDA ITEMS

I-1 Retiree Health Care Eligibility Policy (VanOverbeke)

J. INFORMATION (Received & Filed)

J-1 Record of Paid Invoices

	PAYEE	AMOUNT	DESCRIPTION
1	Meketa Investment Group	3,750.00	Investment Consultant Retainer – March 2016
	TOTAL	3,750.00	

K. ADJOURNMENT

It was **moved** by DiGiovanni and **seconded** by Clark to adjourn the meeting at 11:14 a.m.
Meeting adjourned at 11:14 a.m.



**Nancy R. Walker, Executive Director
City of Ann Arbor Employees' Retirement System**