

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
July 19, 2012**

The meeting was called to order by Jeremy Flack, Chairperson, at 10:52 a.m.

ROLL CALL

Members Present:	Clark, Crawford, Flack, Hastie, Monroe
Members Absent:	Heusel, Nerdrum, Powers, Rogers
Staff Present:	Kluczynski, Walker
Others:	Michael VanOverbeke, Legal Counsel Mike Van Dam, City Retiree David Diephuis, City Resident

AUDIENCE COMMENTS - None

A. APPROVAL OF AGENDA

It was **moved** by Monroe and **seconded** by Crawford to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 June 21, 2012 Regular Retiree Health Care Benefit Plan & Trust Board Meeting

It was **moved** by Crawford and **seconded** by Clark to approve the June 21, 2012 Board meeting minutes as submitted.
Approved

C. CONSENT AGENDA - None

D. ACTION ITEMS

D-1 Reformatted Investment Manager Fee Schedules

This item was referred to the Investment Policy Committee.

D-2 Proposed Investment Agreement for SKY Harbor Capital Management

It was **moved** by Hastie and **seconded** by Clark to authorize the Board Chair to execute the Investment Agreement with SKY Harbor Capital Management on behalf of the Board of Trustees.
Approved

E. DISCUSSION ITEMS

E-1 Response to IRS Regarding Application for Recognition of Exemption Under Section 501(a)

Mr. VanOverbeke stated that the Board may recall that staff had received the IRS notification that because we had not filed our forms that they were going to take the VEBA qualification out, (*although it was due to their mistake of sending notices to us to an address in Chicago*), and the System will be responding appropriately, and there is no formal action for the Board to take at this time.

F. REPORTS

F-1 Investment Policy Committee Minutes – No Report

F-2 Preliminary Investment Reports for the Month Ended June 30, 2012

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended June 30, 2012, to the Board of Trustees:

6/30/2012 Asset Value (Preliminary)	\$89,315,743
5/31/2012 Asset Value (Audited by Northern)	\$86,074,715
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$4,028,393
Percent Gain <Loss>	4.8%
July 18, 2012 Asset Value	\$ 90,572,371

F-3 Legal Report – No Report

G. TRUSTEE COMMENTS

Mr. Monroe inquired as to the status of the accounting procedures for the annual \$2,500 allotment for newer employees for their retiree healthcare and how that money is invested. Ms. Walker stated that a plan document will be created, and the \$2,500 per year will be a notional account within the VEBA Trust, but not commingled within the existing Plan, and those individuals hired after July 1, 2011 will be included under that portion of the account. If those members retire or leave the City, this benefit would calculate their years of service x \$2,500. Mr. VanOverbeke stated that the Retirement System has no choice on how those funds are invested once transferred into the VEBA.

H. FUTURE AGENDA ITEMS

I. INFORMATION

I-1 Record of Paid Invoices

The following invoices have been paid since the last Board meeting:

	PAYEE	AMOUNT	DESCRIPTION
1	Meketa Investment Group	2,916.67	Investment Consultant Retainer – June 2012
	TOTAL	2,916.67	

J. ADJOURNMENT

It was **moved** by Crawford and **seconded** by Clark to adjourn the meeting at 11:09 a.m.
Meeting adjourned at 11:09 a.m.

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