

**City of Ann Arbor Employees' Retirement System
Minutes for the Special-Call Board Meeting
June 29, 2016**

The meeting was called to order by Jeremy Flack, Chairperson, at 8:37 a.m.

ROLL CALL

Members Present: Clark, Crawford, DiGiovanni (*via tx*), Flack, Hastie (*via tx*), Lynch, Monroe, Nerdrum (*via tx*)
 Members Absent: Heusel
 Staff Present: Kluczynski, Walker
 Others: Michael VanOverbeke, Legal Counsel
 David Diephuis, City Resident

AUDIENCE COMMENTS

Mr. Diephuis commented on the upcoming Executive Director search, along with hopes that the Board keep in mind transparency during the process. Mr. Diephuis commended Ms. Walker on her service with the Retirement System, stating that she has proved to be knowledgeable, efficient, hardworking, as well as approachable, and has been very respectful of the Board in terms of their interests and prerogatives, and the Board will do well if they can find someone with the equivalent skills this time around.

A. APPROVAL OF AGENDA

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

B. APPROVAL OF MINUTES - None

C. CONSENT AGENDA

C-1 Authorization for Conference/Training – 2016 Fall MAPERS Conference

WHEREAS, the Board of Trustees (Board) of the City of Ann Arbor Employees' Retirement System (Retirement System) is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims, and

WHEREAS, the Board of Trustees acknowledges that the Retirement System has evolved in complexity such that the circumstances prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims requires continuing education, training, and oversight of its advisors, and

WHEREAS, it is necessary, appropriate and incumbent upon Board trustees and/or Retirement System staff, from time to time, to participate in continuing education, training, and/or conduct due diligence trips in relation to their oversight of Retirement System advisors to ensure that Retirement System participants receive the best possible service, benefit and representation from these responsible persons, and

WHEREAS, Jeremy Flack, Terry Clark, Lora Kluczynski, David Monroe (*tentatively*), and Dan Gustafson have requested the Board of Trustees' authorization for conference/training in Mackinac Island, Michigan, at Retirement System expense, estimated at \$1,000 per person, to attend the 2016 Fall MAPERS Conference, to participate in continuing education in their responsibility as Retirement System Trustees and Staff, and in keeping with Board policy, therefore it be

RESOLVED, the Board of Trustees authorizes the conference/training request of Jeremy Flack, Terry Clark, Lora Kluczynski, David Monroe (*tentatively*), and Dan Gustafson to travel to Mackinac Island, Michigan, at Retirement System expense, estimated at \$1,000 per person, to attend the 2016 Fall MAPERS Conference, to participate in continuing education in their responsibility as Retirement System Trustees and Staff, and

RESOLVED, that Jeremy Flack, Terry Clark, Lora Kluczynski, David Monroe (*tentatively*), and Dan Gustafson comply with all travel and reporting requirements as contained in the Board of Trustees previously adopted Travel and Training Policy and Procedures, and

FURTHER RESOLVED, that approval is granted to any other Trustee or Retirement Staff that wishes to attend.

Mr. Monroe stated that he would like to be added to the resolution as tentative, and suggested that language be included to add the ability for other Trustees and Staff to attend if interested. The Board agreed.

It was **moved** by Monroe and **seconded** by Lynch to approve the Consent Agenda as revised.

Approved

D. ACTION ITEMS

D-1 Hiring Process for Executive Director Position

It was **moved** by Nerdrum and **seconded** by Clark to convene an Executive Session for the purpose of discussing a contractual issue involving Ms. Walker.

Approved

Roll call vote:

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

Mr. VanOverbeke asked the three Trustees attending via telephone to confirm that they were in a secure location with no other parties present, to which the three confirmed that they were alone.

It was **moved** by Monroe and **seconded** by Clark to adjourn the Executive Session at 9:59 a.m.
Executive session time: 8:45 a.m. – 9:59 a.m.

Approved

Mr. Monroe informed Ms. Walker that consequent to its discussion under closed session, the Board has decided not to make any change to the original offer as discussed on June 16th, stating that the Trustees appreciate her service to the System and would like to officially acknowledge receipt of her resignation and move forward with the hiring and transition process. Mr. VanOverbeke requested clarification from Ms. Walker regarding how she has decided to

use her accrued unused sick and vacation leave, given the less than 90 days notice per her contract. After discussion, it was decided that the Board agrees to accept the letter of resignation and allow Ms. Walker to be paid for her unused sick and vacation accruals, and in order to provide for a smooth transition, the hiring and transition process will be referred to the Administrative Policy Committee, including further determinations regarding additional consulting services by Ms. Walker after her August 31, 2016 retirement date.

Mr. Hastie departed at this time.

It was **moved** by Crawford and **seconded** by DiGiovanni to acknowledge receipt of Ms. Walker's letter of resignation, noting that it has been mutually agreed that her retirement date will be effective August 31, 2016.

Approved

It was **moved** by Monroe and **seconded** by Nerdrum to refer the hiring process to the APC as well as any other members of the Board that wish to participate at that Committee level for this purpose, and to request the APC give consideration and discuss with Ms. Walker transition services and her working in a part time capacity after her effective retirement as the Board goes through the process and to come back with a recommendation to the full Board.

Approved

Ms. Nerdrum and Mr. DiGiovanni departed at this time.

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Executive Report – None

F-2 City of Ann Arbor Employees' Retirement System Interim Preliminary Report – June 28, 2016

Ms. Walker provided a brief interim financial report, stating that the System's asset value for June 28, 2016 was \$446,785,426.

F-3 Investment Policy Committee Minutes – None

F-4 Administrative Policy Committee Minutes – None

F-5 Audit Committee Minutes – None

F-6 Legal Report – “Stockholder Action Involving Dreamworks Animation Skg Inc.”

Mr. VanOverbeke provided a brief verbal update on the recently-filed Stockholder Action involving Dreamworks Animation Skg Inc., noting that the Board has no exposure in terms of cost, and that it is all contingency. Mr. VanOverbeke stated that he will have a full report for the Board at the July 21st regular Board meeting.

G. INFORMATION - None

H. TRUSTEE COMMENTS / SUGGESTIONS

Trustees expressed their appreciation to Ms. Walker for her service as the System's Executive Director.

I. **ADJOURNMENT**

It was **moved** by Lynch and **seconded** by Crawford to adjourn the meeting at 10:26 a.m.
Meeting adjourned at 10:26 a.m.

A handwritten signature in cursive script that reads "Nancy R. Walker".

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