

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
May 15, 2014**

The meeting was called to order by Jeremy Flack, Chairperson, at 9:48 a.m.

ROLL CALL

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

AUDIENCE COMMENTS - None

A. APPROVAL OF AGENDA

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

B. APPROVAL OF MINUTES – April 17, 2014 Regular Board Meeting Minutes

It was **moved** by Hastie and **seconded** by Monroe to approve the April 17, 2014 Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS - None

E. DISCUSSION ITEMS

E-1 Summit Credit Partners – Documents for Legal Review

As discussed during the Retirement Board meeting, the Board will proceed with the hiring process for Summit Credit Partners as recommended by Meketa Investment Group.

F. REPORTS

F-1 Investment Policy Committee Minutes – May 8, 2014

Following are the Investment Policy Committee minutes from the meeting convened at 3:10 p.m. on May 8, 2014:

Member(s) Present: Clark, Flack (3:20), Hastie, Monroe
Member(s) Absent: None
Other Trustees Present: None
Staff Present: Jarskey, Kluczynski, Walker
Others Present: Henry Jaung, Meketa Investment Group
Ed Urban, Meketa Investment Group

MARCH 31, 2014 PERFORMANCE REPORT

Mr. Jaung reviewed the performance report for March 31, 2014. As of March 31, the Retiree Health Care Benefit Plan & Trust was valued at \$118.5 million, an increase of \$12.2 million for the fiscal year to date. The VEBA returned 1.7% for the first quarter and 11.0% for the fiscal year-to-date, net of fees. At the end of March, the VEBA was outside of its target range for investment grade bonds. The VEBA's overweight to investment grade bonds is offset by underweight allocations to other fixed income investments; Meketa expects the overweight to be reduced over time.

ADJOURNMENT

Meeting adjourned at 6:02 p.m.

F-2 Preliminary Investment Reports for the Month Ended April 30, 2014

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended April 30, 2014, to the Board of Trustees:

4/30/2014 Asset Value (Preliminary)	\$119,033,548
3/31/2014 Asset Value (Audited by Northern)	\$118,565,227
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$2,920,249
Percent Gain <Loss>	2.5%
May 14, 2014 Asset Value	\$ 119,616,205

F-3 Legal Report – None

G. TRUSTEE COMMENTS - None

H. FUTURE AGENDA ITEMS - None

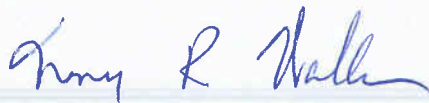
I. INFORMATION

I-1 Record of Paid Invoices

	PAYEE	AMOUNT	DESCRIPTION
1	RhumbLine Advisers	1,064.00	Investment Mgmt. Fees – 1/1/14 – 3/31/14
2	Income Research & Management	748.68	Investment Mgmt. Fees – 1/1/14 – 3/31/14
3	Buck Consultants	2,283.75	Actuarial/Consulting Services - 12/31/2013
	TOTAL	4,096.43	

J. ADJOURNMENT

It was **moved** by Heusel and **seconded** by Nerdrum to adjourn the meeting at 9:50 a.m.
Meeting adjourned at 9:50 a.m.



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