

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
August 21, 2014**

The meeting was called to order by Jeremy Flack, Chairperson, at 11:08 a.m.

ROLL CALL

Members Present: Clark, Crawford (*via telephone*), Flack, Hastie, Nerdrum
Members Absent: Heusel, Monroe, Powers
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 – July 17, 2014 Regular Board Meeting Minutes

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

C. CONSENT AGENDA – None

D. ACTION ITEMS

D-1 Resolution to Approve Fee Increase for Investment Consultant

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retiree Health Care Benefit Plan & Trust, 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 System's investment consultant, Meketa Investment Group, had requested a fee increase effective 7-1-2014, with proposed fees increasing for 2014 through 2016, and

WHEREAS, the Investment Policy Committee (IPC) had discussed and reviewed Meketa's consultant services including ad hoc reports and projects, and

WHEREAS, the IPC has recommended that a fee increase be granted for 2014/2015 and 2015/2016 with further review and discussion at the end of that period, therefore be it

RESOLVED, that the Board concurs with the recommendation of the IPC and Meketa's fees will be increased to \$47,000 for 2014/2015 and \$47,000 for 2015/2016.

It was **moved** by Hastie and **seconded** by Clark to approve the Resolution to Approve Fee Increase for Investment Consultant as presented.

Approved

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – August 5, 2014

Following are the Investment Policy Committee minutes from the meeting convened at 3:17 p.m. on August 5, 2014:

Member(s) Present: Clark, Flack (via telephone), 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

JUNE 30, 2014 QUARTERLY PERFORMANCE REVIEW

As of June 30, 2014 the VEBA was valued at \$127.3 million, an increase of \$20.9 million for the fiscal year. During the fiscal year, the VEBA reported net cash inflows of approximately \$4.5 million. The VEBA returned 3.6% for the second quarter and 15.0% for the fiscal year, net of fees.

ADJOURNMENT

Meeting adjourned at 5:48 p.m.

F-2 Preliminary Investment Reports for the Month Ended July 31, 2014

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended July 31, 2014, to the Board of Trustees:

7/31/2014 Asset Value (Preliminary)	\$127,373,487
6/30/2014 Asset Value (Audited by Northern)	\$127,273,264
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$5,487,373
Percent Gain <Loss>	4.7%
August 20, 2014 Asset Value	\$ 125,797,599

F-3 Legal Report – None

G. TRUSTEE COMMENTS - None

H. FUTURE AGENDA ITEMS - None

I. INFORMATION (Received & Filed)

I-1 Record of Paid Invoices

	PAYEE	AMOUNT	DESCRIPTION
1	Meketa Investment Group	2,916.67	Investment Consultant Retainer - June 2014
2	RhumbLine Advisers	1,095.00	Investment Mgmt. Fees: April-June 2014

3	SouthernSun Asset Management	15,974.00	Investment Mgmt. Fees: April-June 2014
4	VanOverbeke, Michaud & Timmony, P.C.	2,329.25	Legal Services – 10/1/13 – 12/31/13
5	Income Research & Management	762.66	Investment Mgmt. Fees: April-June 2014
	TOTAL	23,077.58	

J. ADJOURNMENT

It was **moved** by Nerdrum and **seconded** by Clark to adjourn the meeting at 11:10 a.m.
Meeting adjourned at 11:10 a.m.



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