

CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES  
Minutes for the Regular Board Meeting  
November 17, 2016

The meeting was called to order by Jeremy Flack, Chairperson, at 11:17 a.m.

**ROLL CALL**

Members Present: Clark, Crawford, DiGiovanni, Flack, Hastie, Heusel, Lynch, Nerdrum  
Members Absent: Monroe  
Staff Present: Gustafson, Hammond, Kluczynski  
Others: Michael VanOverbeke, Legal Counsel  
David Diephuis, City Resident

**AUDIENCE COMMENTS - None**

**A. APPROVAL OF AGENDA**

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

**B. APPROVAL OF MINUTES**

**B-1 October 20, 2016 Regular Board Meeting**

It was **moved** by Nerdrum and **seconded** by Crawford to approve the October 20, 2016 Board Meeting minutes as submitted.  
**Approved**

**C. CONSENT AGENDA – None**

**D. PRESENTATION: Actuarial Report for the Fiscal Year Ended June 30, 2016 – Larry Langer & Robert Besenhofer, Buck Consultants**

Mr. Langer and Mr. Besenhofer from Buck Consultants were present to review the Actuarial Report for the Fiscal Year Ended June 30, 2016. Key takeaways include:

- FY 2016 lower than expected investment returns, lower than expected salary increase, and higher contributions than expected
- Generated projected results that were 4.7% lower than expected FY 2018
- FY 2018 projected AOC from this year’s report is projected at \$10,656,000
- FY 2018 projected AOC from prior report was projected at \$11,182,000
- Existing Net OPEB Obligation of \$0.93 million as of June 30, 2016
- Minimum GASB 45 contributions do not result in a funded plan, due to open amortization period as level % of payroll
- Alternative of prior contribution increased by 2.0% each year funds the plan by the end of FY 2032 (only normal cost contributions after that)

It was **moved** by Nerdrum and **seconded** by Hastie to receive and file the Actuarial Valuation Report and presentation, and direct that a copy of the Report be forwarded to the City as an indication of the required contributions for the fiscal year beginning July 1, 2017.

**Approved**

E. **ACTION ITEMS - None**

F. **DISCUSSION ITEMS - None**

G. **REPORTS**

**G-1 Investment Policy Committee Minutes – November 1, 2016**

Following are the Investment Policy Committee minutes from the meeting convened at 3:07 p.m. on November 1, 2016:

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

**INTERIM PERFORMANCE REVIEW THROUGH SEPTEMBER 30, 2016**

As of September 30, 2016, the balance of the Fund was \$141,559,017. Mr. Jaung also reviewed the PA 314 Compliance, stating that everything is currently in compliance.

**ADJOURNMENT**

It was **moved** by Clark and **seconded** by Monroe to adjourn the meeting at 4:59 p.m.  
**Meeting adjourned at 4:59 p.m.**

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

Corbin Hammond, Accountant, submitted the Financial Report for the month ended October 31, 2016, to the Board of Trustees:

10/31/2016 Asset Value (Preliminary)	\$139,989,539
9/30/2016 Asset Value (Audited by Northern)	\$141,555,658
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$8,419,761
Percent Gain <Loss>	6.53%
<b>November 16, 2016 Asset Value</b>	<b>\$140,526,809</b>

**G-3 Legal Report – Update on Request from Retiree Greg Jones**

H. **TRUSTEE COMMENTS / SUGGESTIONS - None**

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	Income Research & Management, Inc.	1,316.43	Investment mgmt. fees for 7/1/2016 – 9/30/2016
2	Fisher Investments	30,814.83	Investment mgmt. fees for 7/1/2016 – 9/30/2016
3	RhumbLine Advisers	1,283.00	Investment mgmt. fees for 7/1/2016 – 9/30/2016
4	Southern Sun Asset Management	12,582.00	Investment mgmt. fees for 7/1/2016 – 9/30/2016
5	Rehmann Robson	1,660.00	Audit billing #1, Invoice RR331173
6	Rehmann Robson	1,660.00	Audit billing #2, Invoice RR331175
7	Rehmann Robson	581.00	Audit billing #3, Invoice RR331178
8	Meketa Investment Group	3,750.00	Investment Consultant Retainer - October 2016
9	Income, Research & Management	1,113.39	Investment mgmt. fees for 4/1/2016 – 6/30/2016
	<b>TOTAL</b>	<b>54,760.65</b>	

K. ADJOURNMENT

It was **moved** by Nerdrum and **seconded** by Clark to adjourn the meeting at 11:52 a.m.  
Meeting adjourned at 11:52 a.m.



Daniel Gustafson, Interim Executive Director  
City of Ann Arbor Employees' Retirement System