

CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES  
Minutes for the Regular Board Meeting  
August 18, 2016

The meeting was called to order by Jeremy Flack, Chairperson, at 10:41 a.m.

**ROLL CALL**

Members Present: Clark, Crawford, DiGiovanni, Flack, Hastie, Lynch, Monroe  
Members Absent: Heusel, Nerdrum  
Staff Present: Gustafson, Jarskey, 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 – July 21, 2016**

It was **moved** by Clark and **seconded** by Hastie to approve the July 21, 2016 Board Meeting minutes as submitted.  
**Approved**

**C. CONSENT AGENDA – None**

**D. ACTION ITEMS**

**D-1 Resolution to Invest in DRA Fund IX**

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, Meketa as the Retirement System’s investment consultant, the Investment Policy Committee (IPC), and the Board of Trustees have discussed an additional allocation to value added real estate, and

WHEREAS, a current real estate manager, DRA, presented their investment strategies for Fund DRA Growth and Income Fund IX, LLC, to the IPC on August 2, 2016, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment with DRA Fund IX, so be it

RESOLVED, that the Board of Trustees approve the investment In DRA Fund IX with a commitment in the amount of \$2.5 million, pending review of investment management documents by the Board’s legal counsel and any recommended additional due diligence.

It was **moved** by Crawford and **seconded** by Clark to approve the Resolution to Invest in DRA Fund IX.

**Approved**

**D-2 Resolution to Invest in Silicon Valley Bank Strategic Investors Fund VIII**

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, Meketa as the Retirement System's investment consultant, the Investment Policy Committee (IPC) , and the Board of Trustees have discussed an additional allocation to venture capital, and

WHEREAS, Silicon Valley Bank presented their investment strategies for Strategic Investors Fund VIII to the IPC on August 2, 2016, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment with Strategic Investors Fund VIII Strategic Investors Fund VIII, as it provides highly concentrated exposure to hard-to-access venture funds, so be it

RESOLVED, that the Board of Trustees approve the investment In Silicon Valley Bank Strategic Investors Fund VIII, with a commitment in the amount of \$2 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

It was **moved** by Crawford and **seconded** by DiGiovanni to approve the Resolution to Invest in Silicon Valley Bank Strategic Investors Fund VIII.

**Approved**

E. **DISCUSSION ITEMS - None**

F. **REPORTS**

**F-1 Investment Policy Committee Minutes – August 2, 2016**

Following are the Investment Policy Committee minutes from the meeting convened at 3:07 p.m. on August 2, 2016:

<i>Member(s) Present:</i>	<i>Clark, DiGiovanni, Flack (via tx), Monroe</i>
<i>Member(s) Absent:</i>	<i>Hastie</i>
<i>Other Trustees Present:</i>	<i>None</i>
<i>Staff Present:</i>	<i>Gustafson, Kluczynski, Walker</i>
<i>Others Present:</i>	<i>Alli Wallace, Meketa Investment Group Valentina Geba, Meketa Investment Group</i>

**FISCAL YEAR TO DATE PERFORMANCE REVIEW**

*Ms. Geba presented the Interim Investment Review for June 30, 2016. As of June 30, 2016, the Fund was at \$133.8 million, a \$2.4 million increase from the end of the first quarter. All investments are currently in compliance with PA 314.*

**ADJOURNMENT**

**Meeting adjourned at 5:50 p.m.**

**F-2 Preliminary Investment Reports for the Month Ended July 31, 2016**

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended July 31, 2016, to the Board of Trustees:

7/31/2016 Asset Value (Preliminary)	\$137,970,256
6/30/2016 Asset Value (Audited by Northern)	\$133,992,611
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$9,211,724
Percent Gain <Loss>	7.15%
<b>August 17, 2016 Asset Value</b>	<b>\$138,431,255</b>

**F-3 Legal Report – No Report**

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

**H. FUTURE AGENDA ITEMS**

**H-1 Retiree Health Care Eligibility Policy (VanOverbeke)**

Mr. VanOverbeke stated that he has been waiting on the City's response to the drafted policy, and to date he still hasn't heard from them. It was decided that the proposed policy be placed on the September Board agenda for approval.

**I. INFORMATION (Received & Filed)**

**I-1 Record of Paid Invoices**

	PAYEE	AMOUNT	DESCRIPTION
1	SouthernSun Asset Management	12,320.00	Investment management fees: 4/1/2016 – 6/30/2016
2	RhumbLine Advisers	1,216.00	Investment management fees: 4/1/2016 – 6/30/2016
3	Fisher Investments	29,438.34	Investment management fees: 1/1/2016 – 3/31/2016
4	Fisher Investments	28,686.81	Investment management fees: 4/1/2016 – 6/30/2016
5	Meketa Investment Group	3,750.00	Investment Consultant Retainer – July 2016
	<b>TOTAL</b>	<b>75,411.15</b>	

**J. ADJOURNMENT**

It was **moved** by Clark and **seconded** by Hastie to adjourn the meeting at 10:48 a.m.  
**Meeting adjourned at 10:48 a.m.**



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