

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
November 15, 2012**

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

ROLL CALL

Members Present: Clark, Crawford, Flack, Hastie, Monroe
Members Absent: Heusel, Nerdrum, Powers, Rogers
Staff Present: Kluczynski, Walker
Others: Michael VanOverbeke, Legal Counsel
Larry Langer, Buck Consultants
Dan Levin, Buck Consultants
David Diephuis, City Resident

AUDIENCE COMMENTS - None

A. APPROVAL OF AMENDED AGENDA

It was **moved** by Crawford and **seconded** by Hastie to amend the agenda to bring forward the Actuarial Presentation as the first item of business, followed by D-1, the Proposed Investment Policy Statement.

Approved

B. APPROVAL OF MINUTES

B-1 October 18, 2012 Regular Retiree Health Care Benefit Plan & Trust Board Meeting

Due to the impending loss of a quorum, a motion was not made to approve the October meeting minutes. This item will be postponed until the December 20, 2012 regular Board meeting.

C. CONSENT AGENDA - None

PRESENTATION: Annual Actuarial Valuation for the Year Ended June 30, 2012

Mr. Langer and Mr. Levin attended the meeting in order to present the Annual Actuarial Valuation for the Year Ended June 30, 2012.

It was **moved** by Clark and **seconded** by Crawford to receive and file the Actuarial Valuation Report and presentation for the City of Ann Arbor Retiree Health Care Benefit Plan & Trust for the year ended June 30, 2012, and direct that a copy of the Report be forwarded to the City as an indication of the funding status of the Retiree Health Care Plan.

Approved

D. ACTION ITEMS

D-1 Proposed Investment Policy Statement (Hastie)

It was **moved** by Clark and **seconded** by Crawford to approve and acknowledge the receipt of a copy of the Investment Policy Statement for the Retiree Health Care Plan as recommended by the Board's Investment Consultant and the Investment Policy Committee.

Approved

E. **DISCUSSION ITEMS - None**

F. **REPORTS**

F-1 **Investment Policy Committee Minutes – October 23, 2012**

Following are the Investment Policy Committee minutes from the meeting convened at 4:08 p.m. on October 23, 2012:

Member(s) Present: Clark, Flack, Hastie, Monroe
Member(s) Absent: Rogers
Other Trustees Present: None
Staff Present: Kluczynski, Walker
Others Present: Henry Jaung, Meketa Investment Group
David Diephuis, City Resident

INTERIM PERFORMANCE REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2012

Mr. Jaung reviewed the performance report, noting that as of September 30, 2012, the Retiree Health Care Benefit Plan & Trust was valued at \$93.7 million.

**DRAFTED INVESTMENT POLICY STATEMENT REVIEW
& SAMPLE MANAGER GUIDELINES**

The Committee reviewed the drafted Investment Policy Statement which Meketa had revised per the previous discussions. After a lengthy review, the Committee made various language changes to the document, and Mr. Jaung stated that he would make the revisions and send them to Mr. VanOverbeke for review before the IPS is taken to the full Board of Trustees for approval at the next regular Board meeting on November 15th.

ADJOURNMENT

Meeting adjourned at 5:54 p.m.

F-2 **Preliminary Investment Reports for the Month Ended October 31, 2012**

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended October 31, 2012, to the Board of Trustees:

10/31/2012 Asset Value (Preliminary)	\$93,383,833
9/30/2012 Asset Value (Audited by Northern)	\$93,675,285
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$8,148,190
Percent Gain <Loss>	9.8%
November 14, 2012 Asset Value	\$92,338,757

F-3 **Legal Report – No Report**

G. **TRUSTEE COMMENTS - None**

H. **FUTURE AGENDA ITEMS**

I. **INFORMATION**

I-1 Record of Paid Invoices

The following invoices have been paid since the last Board meeting:

	PAYEE	AMOUNT	DESCRIPTION
1	Buck Consultants	2,250.00	Basic actuarial services through 9/30/2012
2	Bradford & Marzec, Inc.	6,768.33	Investment management fees: 7/1/2012-9/30/2012
3	Fisher Investments	24,871.49	Investment management fees: 7/1/2012-9/30/2012
4	SouthernSun Asset Management	9,592.00	Investment management fees: 7/1/2012-9/30/2012
5	RhumbLine Advisers	898.00	Investment management fees: 7/1/2012-9/30/2012
	TOTAL	44,379.82	

I-2 Fiduciary Liability Policy from Chubb Group of Insurance Companies

J. ADJOURNMENT

It was **moved** by Hastie and **seconded** by Clark to adjourn the meeting at 11:19 a.m., due to the impending loss of a quorum.

Meeting adjourned at 11:19 a.m.

NOTE: In the absence of a quorum, the remaining Trustees received information with regards to the annual Actuarial Valuation: Clark, Crawford, Flack, and Hastie.



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