

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES  
Minutes for the Regular Board Meeting  
July 20, 2017**

The meeting was called to order by Alexa Nerdrum, Board Vice-Chairperson, at 10:25 a.m.

**ROLL CALL**

Members Present: Clark (*Via TX*), Crawford, DiGiovanni, Hastie, Lynch, Monroe, Nerdrum  
Members Absent: Flack, Heusel  
Staff Present: Hammond, Hollabaugh, Kluczynski, Orcutt  
Others: Michael VanOverbeke, Legal Counsel

**AUDIENCE COMMENTS - None**

**A. APPROVAL OF AGENDA**

It was **moved** by DiGiovanni and **seconded** by Monroe to approve the agenda as submitted.  
**Approved**

**B. APPROVAL OF MINUTES**

**B-1 June 15, 2017 Regular Board Meeting**

It was **moved** by DiGiovanni and **seconded** by Monroe to approve the June 15, 2017 Board Meeting minutes as submitted.  
**Approved**

**C. CONSENT AGENDA – None**

**D. ACTION ITEMS**

**D-1 Approved Resolution to Hire Carlyle Realty Partners VIII, L.P. as Opportunistic Real Estate Manager**

Mr. Hastie reviewed the purpose for the following resolution as recommended by the IPC and Meketa.

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, and the Board of Trustees have discussed an allocation to Opportunistic Real Estate, and

WHEREAS, the potential manager, Carlyle Realty Partners VIII, L.P. presented their investment strategy to the IPC on July 12, 2017, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment with Carlyle Realty Partners VIII, L.P. in the amount of \$2 million, as it provides exposure to

Opportunistic Real Estate, so be it

RESOLVED, that the Board of Trustees approves the hiring of Carlyle Realty Partners VIII, L.P., with a commitment in the amount of approximately \$2 million, pending review of investment management documents by the Board’s legal counsel and any recommended additional due diligence.

It was **moved** by DiGiovanni and **seconded** by Lynch to approve the Resolution to Hire Carlyle Realty Partners VIII, L.P. as Opportunistic Real Estate Manager, with a commitment in the amount of approximately \$2 million, pending review of investment management documents by the Board’s legal counsel and any recommended additional due diligence. .

**Approved**

**E. DISCUSSION ITEMS - None**

**F. REPORTS**

**F-1 Investment Policy Committee Minutes – July 12, 2017**

*Following are the Investment Policy Committee minutes from the meeting convened at 4:46 p.m. on July 12, 2017:*

Member(s) Present:	Clark, Crawford, DiGiovanni, Flack (via tx), Hastie, Monroe
Member(s) Absent:	None
Other Trustees Present:	None
Staff Present:	Gustafson, Hammond, Hollabaugh, Kluczynski, Orcutt
Others Present:	Henry Jaung, Meketa Investment Group Keith Beaudin, Meketa Investment Group David Diephuis, City Resident

**FYTD PERFORMANCE - INTERIM REPORT**

*Meketa’s report indicates that as of May 31, 2017, the balance of the Fund was \$152,475,097, Fiscal year-to-date.*

**CARLYLE REALTY PARTNERS VIII  
**Carolyn Weimer & Mark Schoenfeld, Managing Directors****

*Representatives from Carlyle Realty Partners VIII were present to review their firm, including their history, team overview, stock selection, and investment process.*

*It was **moved** by DiGiovanni and **seconded** by Clark to recommend to the Board of Trustees that Carlyle Real Estate Partners VIII be hired as the Systems Real Estate Manager with a commitment of approximately \$2,000,000, pending review of investment management documents by the Boards legal counsel and any recommended additional due diligence.*

**Approved**

**ADJOURNMENT**

**Meeting adjourned at 4:47 p.m.**

**F-2 Preliminary Investment Reports for the Month Ended June 30, 2017**

Corbin Hammond, Accountant, submitted the Financial Report for the month ended June 30, 2017, to the Board of Trustees:

6/30/2017 Asset Value (Preliminary)	\$155,056,916
5/31/2017 Asset Value (Audited by Northern)	\$152,928,068
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$10,738,296
Percent Gain <Loss>	7.50%
<b>July 19, 2017 Asset Value</b>	<b>\$156,921,772</b>

**F-3 Legal Report – No Report**

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

**H. FUTURE AGENDA ITEMS**

- *Retiree Health Care Eligibility Policy (VanOverbeke)*

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

**I-1 Record of Paid Invoices**

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

	<b>PAYEE</b>	<b>AMOUNT</b>	<b>DESCRIPTION</b>
1	Condeunt HR Consulting, LLC	2,357.89	May Quarterly Actuarial Services
2	RhumbLine Advisers	1,420.00	Investment Management Fees 1/31/17 – 3/31/17
3	Meketa Investment Group	3,750.00	Investment Consultant Retainer – June 2017
4	Condeunt HR Consulting, LLC	2,357.89	June Quarterly Actuarial Services
5	Southern Sun Asset Management	15,090.00	Investment Management Fees 3/31/17 – 6/30/17
	<b>TOTAL</b>	<b>24,975.78</b>	

**J. ADJOURNMENT**

It was **moved** by DiGiovanni and **seconded** by Hastie to adjourn the meeting at 10:31 a.m.  
**Meeting adjourned at 10:31 a.m.**

**Wendy Orcutt, Executive Director  
City of Ann Arbor Employees' Retirement System**