

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
January 16, 2014**

B

The meeting was called to order by Jeremy Flack, Chairperson, at 9:48 a.m.

ROLL CALL

Members Present: Clark, Flack, Hastie, Heusel, Monroe
Members Absent: Crawford, Nerdrum, Powers
Staff Present: Kluczynski, Walker
Others: Michael VanOverbeke, Legal Counsel

AUDIENCE COMMENTS - None

A. APPROVAL OF AGENDA

It was **moved** by Hastie and **seconded** by Heusel to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 December 19, 2013 Regular Retiree Health Care Benefit Plan & Trust Board Meeting

It was **moved** by Hastie and **seconded** by Heusel to approve the December 19, 2013 Board meeting minutes as presented.
Approved

C. CONSENT AGENDA – No Items Scheduled for Approval

D. ACTION ITEMS

D-1 Resolution to Approve Investment and Funding for Vanguard REIT

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the City of Ann Arbor Employees' Retiree Health Care Benefit Plan and Trust (VEBA) 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, Duff and Phelps had advised the System that it is terminating its REIT and offering the options of either distribution of proceeds or reinvestment in a successor real estate option, and

WHEREAS, Meketa Investment Group and the Board had previously determined that the Duff and Phelps investment held in the VEBA cannot be transferred to the Duff and Phelps successor REIT commingled vehicle, and

WHEREAS, the Board of Trustees agreed to replace this investment with a Vanguard REIT with an anticipated funding of \$4 million pending legal review, (which is now complete), and

WHEREAS, Meketa has recommended this investment be funded from cash on hand, so be it

RESOLVED, that staff direct Northern Trust to purchase the Vanguard REIT Index Fund (Ticker: VGSLX) for the VEBA portfolio and fund with the cash proceeds of the Duff and Phelps liquidation.

It was **moved** by Heusel and **seconded** by Clark to approve the resolution to approve Investment and Funding for Vanguard REIT as submitted.

Approved

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – No Report

F-2 Preliminary Investment Reports for the Month Ended December 31, 2013

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended December 31, 2013, to the Board of Trustees:

12/31/2013 Asset Value (Preliminary)	\$116,187,796
11/30/2013 Asset Value (Audited by Northern)	\$115,233,548
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$15,166,585
Percent Gain <Loss>	15.9%
January 15, 2014 Asset Value	\$ 117,171,855

F-3 Legal Report – No Report

G. TRUSTEE COMMENTS - None

H. FUTURE AGENDA ITEMS - None

I. INFORMATION

I-1 Record of Paid Invoices

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

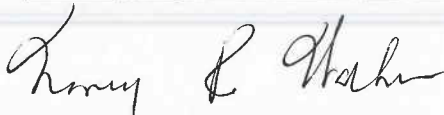
	PAYEE	AMOUNT	DESCRIPTION
1	Meketa Investment Group	2,916.67	Investment Consultant Retainer – December 2013
2	RhumbLine Advisers	951.00	Investment mgmt. fees: 3 rd quarter 2013
	TOTAL	3,867.67	

I-2 SouthernSun Ownership Transition

J. ADJOURNMENT

It was **moved** by Heusel and **seconded** by Monroe to adjourn the meeting at 9:50 a.m.

Meeting adjourned at 9:50 a.m.



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