

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
January 15, 2015**

The meeting was called to order by Jeremy Flack, Chairperson, at 10:18 a.m.

ROLL CALL

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

AUDIENCE COMMENTS – None

A. APPROVAL OF AGENDA

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

Approved

B. APPROVAL OF MINUTES – December 18, 2014 Regular Board Meeting Minutes

It was **moved** by Crawford and **seconded** by Heusel to approve the December 18, 2014 Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS

D-1 Resolution to Move IR&M Capital Management Funds From a Separately-Managed Account to a Commingled Fund

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 Investment Group had previously advised the Investment Policy Committee to add a Treasury Inflation Protected Securities Manager (TIPS) to the portfolio congruent with a new asset allocation policy; and

WHEREAS, the Investment Policy Committee selected IR&M as the best fit for the Retirement System to achieve its portfolio strategic objective in the addition of a TIPS manager, with the understanding that IR&M offered a separately managed account and that a commingled fund might be available in the future; and

WHEREAS, the Retirement System funded IR&M as a separately managed account initially; so be it

RESOLVED, that since IR&M now offers the commingled fund structure with a slightly lower investment fee, the VEBA allocation to IR&M shall be moved to the commingled fund after completion of legal documentation.

It was **moved** by Crawford and **seconded** by Clark to approve the Resolution to Move IR&M Capital Management Funds From a Separately-Managed Account to a Commingled Fund.

Approved

D-2 Summary Annual Report for FY Ended June 30, 2014

Ms. Walker reviewed the drafted June 30, 2014 Summary Annual Report.

It was **moved** by Crawford and **seconded** by Clark to approve the Summary Annual Report for the fiscal year ended June 30, 2014.

Approved

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – January 6, 2015

Following are the Investment Policy Committee minutes from the meeting convened at 3:13 p.m. on January 6, 2015:

Member(s) Present: Clark, Flack, Hastie, Monroe
Member(s) Absent: None
Other Trustees Present: None
Staff Present: Jarskey, Kluczynski, Walker
Others Present: Edward Urban, Meketa Investment Group
Henry Jaung, Meketa Investment Group

OCTOBER 31, 2014 INVESTMENT PERFORMANCE REVIEW

Mr. Jaung reviewed the performance update and manager review for the period ended October 31, 2014. As of October 31, the VEBA was valued at \$126.4 million. Mr. Urban noted that the current passive for the VEBA is about 58%, including the Vanguard REIT, and when Meketa was hired in 2011 it was at 48%, a 10 point increase over the last four years.

IR&M TIPS RECOMMENDATION FROM MEKETA

*It was **moved** by Monroe and **seconded** by Flack to recommend to the Board of Trustees that the IR&M TIPS portfolio be moved to the IR&M Commingled Fund for both the Retirement System and VEBA funds. A resolution will be placed on the January 15th Board agenda for approval.*

Approved

ADJOURNMENT

Meeting adjourned at 5:17 p.m.

F-2 Preliminary Investment Reports for the Month Ended December 31, 2014

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended December 31, 2014, to the Board of Trustees:

12/31/2014 Asset Value (Preliminary)	\$127,386,444
11/30/2014 Asset Value (Audited by Northern)	\$128,025,490
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$7,011,692
Percent Gain <Loss>	6.0%
January 14, 2015 Asset Value	\$126,096,010

F-3 Legal Report – None

G. TRUSTEE COMMENTS - None

H. FUTURE AGENDA ITEMS - None

I. INFORMATION (Received & Filed)

I-1 Record of Paid Invoices

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

	PAYEE	AMOUNT	DESCRIPTION
1	Rehmann Robson	580.86	3 rd installment for annual audit work
2	Bradford & Marzec	4,104.71	Investment management fees: 7/1/2014-8/22/2014
	TOTAL	4,685.57	

J. ADJOURNMENT

It was **moved** by Heusel and **seconded** by Crawford to adjourn the meeting at 10:28 a.m.
Meeting adjourned at 10:28 a.m.

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