

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
May 18, 2017**

The meeting was called to order by Alexa Nerdrum, Board Vice-Chairperson, at 8:44 a.m.

ROLL CALL

Members Present: Crawford, DiGiovanni, Hastie, Heusel, Lynch, Monroe, Nerdrum
Members Absent: Clark, Flack
Staff Present: Hammond, Gustafson, Kluczynski, Orcutt
Others: Michael VanOverbeke, Legal Counsel

AUDIENCE COMMENTS - None

A. APPROVAL OF AGENDA

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

B. APPROVAL OF MINUTES

B-1 April 20, 2017 Regular Board Meeting

It was **moved** by Crawford and **seconded** by Monroe to approve the April 20, 2017 Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS

D-1 Resolution to Invest in First Eagle Gold Fund

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, Meketa as the Retirement System's investment consultant, the Investment Policy Committee, and the Board of Trustees have discussed an allocation to Natural Resources, and

WHEREAS, the potential manager, First Eagle Investment Management LLC presented their investment strategy to the IPC on May 2, 2017, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment with First Eagle Investment Management LLC, and

WHEREAS, Meketa Investment Group has recommended funding First Eagle from Domestic Equity with a total commitment of approximately 3% of the portfolio, with initial funding of 1.5% of the portfolio, so be it

RESOLVED, that the Board of Trustees approves the hiring of First Eagle Investment Management LLC with an investment in the amount of approximately 3% of the portfolio, 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 Crawford to approve the Resolution to Invest in First Eagle Gold Fund, with initial funding of 1.5%, giving the IPC the latitude as to the timing of the remaining 1.5% investment, for a total commitment of approximately 3% of the portfolio.

Approved

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – May 2, 2017

Following are the Investment Policy Committee minutes from the meeting convened at 3:04 p.m. on May 2, 2017:

Member(s) Present: Clark, DiGiovanni, Flack (via tx 3:36), Hastie, Monroe
 Member(s) Absent: Crawford
 Other Trustees Present: None
 Staff Present: Hammond, Orcutt
 Others Present: Henry Jaung, Meketa Investment Group
 Keith Beaudoin, Meketa Investment Group
 David Diephuis, City Resident

MARCH 31, 2017 QUARTERLY PERFORMANCE UPDATE

As of March 31, 2017, the balance of the Fund was \$149,443,739, up 1.1% for April.

ADJOURNMENT

Meeting adjourned at 6:11 p.m.

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

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

4/30/2017 Asset Value (Preliminary)	\$151,486,795
3/31/2017 Asset Value (Audited by Northern)	\$149,807,345
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$8,457,976
Percent Gain <Loss>	5.91%
May 17, 2017 Asset Value	\$150,719,546

F-3 Legal Report – No Report

G. TRUSTEE COMMENTS / SUGGESTIONS - None

H. FUTURE AGENDA ITEMS - None

I. INFORMATION (Received & Filed)

I-1 Record of Paid Invoices

	PAYEE	AMOUNT	DESCRIPTION
1	Fisher Investments	32,944.55	Investment manager fees: 1/1/2017 - 3/31/2017
2	SouthernSun Asset Management	14,376.00	Investment manager fees: 1/1/2017 - 3/31/2017
3	Income Research & Management	1,311.46	Investment manager fees: 1/1/2017 - 3/31/2017
4	Rhumblin Advisers	1,420.00	Investment manager fees: 1/1/2017 - 3/31/2017
5	Conduent HR Consulting, LLC	2,357.89	3 rd qly installment for basic actuarial services
	TOTAL	52,409.90	

J. ADJOURNMENT

It was moved by Heusel and seconded by Monroe to adjourn the meeting at 8:56 a.m.
Meeting adjourned at 8:56 a.m.



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