

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
August 19, 2015**

B

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

ROLL CALL

Members Present: Clark, Crawford, DiGiovanni, Flack, Hastie, Heusel, Lynch, Monroe, Nerdrum
Members Absent: None
Staff Present: Kluczynski, Walker
Others: None

AUDIENCE COMMENTS – None

A. APPROVAL OF AGENDA

It was **moved** by Nerdrum and **seconded** by Monroe to approve the agenda as presented.
Approved

B. APPROVAL OF MINUTES – July 16, 2015

It was **moved** by Heusel and **seconded** by Crawford to approve the July 16, 2015 Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS – None

E. DISCUSSION ITEMS - None

F. REPORTS

F-1 Investment Policy Committee Minutes – August 4, 2015 (Hastie)

Following are the Investment Policy Committee minutes from the meeting convened at 3:05 p.m. on August 4, 2015:

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

JUNE 30, 2015 QUARTERLY INVESTMENT REVIEW

As of June 30, 2015, the VEBA was valued at \$132.1 million, an increase of \$4.8 million for the fiscal year.

- During the fiscal year, the VEBA reported net cash inflows of approximately \$2.9 million.

The VEBA returned -0.5% for the second quarter, and 1.3% for the fiscal year, net of fees.

- The VEBA second quarter return was driven by mixed performance among the asset classes.

- Equities posted positive performance for the quarter, excluding international developed markets. International emerging markets returned 0.4%, followed by domestic equities at 0.3%. International developed markets declined 1.0% during the second quarter.
- Bank loan and high yield bond assets achieved the highest returns within fixed income (+0.6% each), Investment grade bonds (-1.7%), TIPS (-0.2%), and emerging market debt (-0.6%) declined during the quarter.

At the end of June, the VEBA was within all of its asset allocation target ranges, with the exception of investment grade bonds. The investment grade bond (+8%) overweight primarily offsets the current TIPS underweight (-7%).

ADJOURNMENT

Meeting adjourned at 4:47 p.m.

F-2 Preliminary Investment Reports for the Month Ended July 31, 2015

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended July 31, 2015, to the Board of Trustees:

7/31/2015 Asset Value (Preliminary)	\$132,789,271
6/30/2015 Asset Value (Audited by Northern)	\$132,191,504
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$2,905,851
Percent Gain <Loss>	2.3%
August 18, 2015 Asset Value	\$132,323,871

F-3 Legal Report – No Report

G. TRUSTEE COMMENTS

Mr. Flack welcomed Ms. Lynch and Mr. DiGiovanni to the Board of Trustees, thanking them for their time, and welcomed them to serve on any of the three subcommittees.

H. FUTURE AGENDA ITEMS - None

I. INFORMATION (Received & Filed)

I-1 Record of Paid Invoices

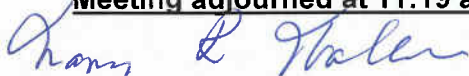
The following invoices have been paid since the last Board meeting:

	PAYEE	AMOUNT	DESCRIPTION
1	Fisher Investments	32,140.41	Investment mgmt. fees: 4/30/2015 - 6/30/2015
2	RhumbLine Advisers	1,210.00	Investment mgmt. fees: 4/30/2015 - 6/30/2015
3	Southern Sun Asset Management	14,787.00	Investment mgmt. fees: 4/30/2015 - 6/30/2015
	TOTAL	48,137.41	

J. ADJOURNMENT

It was **moved** by Heusel and **seconded** by Clark to adjourn the meeting at 11:19 a.m.

Meeting adjourned at 11:19 a.m.



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