

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST
BOARD OF TRUSTEES
Minutes for the Regular Board Meeting
May 19, 2016**

The meeting was called to order by Jeremy Flack, Chairperson, at 9:22 a.m.

ROLL CALL

Members Present: Clark, DiGiovanni, Flack, Hastie, Heusel, Lynch, Monroe (*dep. @ 9:52 a.m.*)
Members Absent: Crawford, 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 Heusel to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES – April 21, 2016

It was **moved** by Monroe and **seconded** by Heusel to approve the April 21, 2016 Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA – None

D. ACTION ITEMS - None

E. DISCUSSION ITEMS

E-1 Estimated Allocation of Expenses for VEBA Administrative / Facility Services

The Board reviewed an analysis provided by Ms. Walker which estimated what portion of System administrative and general costs the VEBA should be charged. The analysis shows that general costs such as facility and maintenance and office supplies are allocated based on the asset value of the VEBA Fund ratio to the overall value of assets, and certain general costs such as postage and printing were excluded as not pertaining to the VEBA.

Ms. Walker noted that the figures may be adjusted in late June when the budget is more complete, and the figures in the estimation are through April and indicate a total of \$42,078.30. The Board discussed whether the Fund should be billed annually or quarterly, and decided that it should be done annually going forward. The Board requested that this item be placed on the June Board agenda so that the numbers can be updated with actual costs for the year and final Board review and decision.

F. REPORTS

F-1 Investment Policy Committee Minutes – May 3, 2016

Following are the Investment Policy Committee minutes from the meeting convened at 3:02 p.m. on May 3, 2016:

Member(s) Present: Clark, DiGiovanni, Flack (via tx, dep @ 4:55), Hastie, Monroe (via tx, dep @ 5:20)
 Member(s) Absent: None
 Other Trustees Present: None
 Staff Present: Walker
 Others Present: Henry Jaung, Meketa Investment Group

MARCH 31, 2016 INVESTMENT PERFORMANCE REVIEW

Mr. Jaung presented the Interim Investment Review for March 31, 2016. As of March 31, 2016, the Fund was at \$131.5 million. Mr. Jaung also provided a brief investment performance review and the Act 314 Compliance Review, stating that all investments are currently in compliance.

NOTICE FROM SOUTHERN SUN ASSET MANAGEMENT

Notice received and filed.

ADJOURNMENT

Meeting adjourned at 5:40 p.m.

F-2 Preliminary Investment Reports for the Month Ended April 30, 2016

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended April 30, 2016, to the Board of Trustees:

4/30/2016 Asset Value (Preliminary)	\$132,472,847
3/31/2016 Asset Value (Audited by Northern)	\$131,195,988
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$3,575,073
Percent Gain <Loss>	2.8%
May 18, 2016 Asset Value	\$131,035,922

F-3 Legal Report – Verbal Update on House Bill No. 5438, Public Employee Retirement Benefit Calculation Act

G. TRUSTEE COMMENTS / SUGGESTIONS

Mr. Flack requested clarification on a recent pension amount shown in the City budget, and Ms. Walker stated it was correct and provided an explanation.

H. FUTURE AGENDA ITEMS

H-1 Retiree Health Care Eligibility Policy (VanOverbeke)

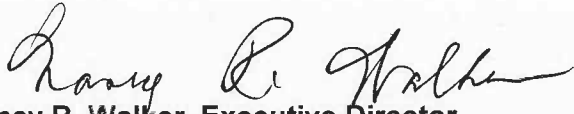
I. INFORMATION (Received & Filed)

I-1 Record of Paid Invoices

	PAYEE	AMOUNT	DESCRIPTION
1	Buck Consultants	2,334.60	3 rd qtrly installment for basic services 2015 valuation
2	Income Research & Management	604.65	Investment management fees: 4/1/2015 – 6/30/2015
3	Income Research & Management	602.00	Investment management fees: 1/1/2016 – 3/31/2016
4	SouthernSun Asset Management	12,126.00	Investment management fees: 1/1/2016 – 3/31/2016
5	RhumbLine Advisers	1,116.00	Investment management fees: 1/1/2016 – 3/31/2016
6	The Northern Trust Company	5,552.35	Indexed & Quantitative Svcs for period ended 3/31/2016
	TOTAL	22,335.60	

J. **ADJOURNMENT**

It was **moved** by Heusel and **seconded** by DiGiovanni to adjourn the meeting at 9:52 a.m.
Meeting adjourned at 9:52 a.m.



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