

**CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES  
Minutes for the Regular Board Meeting  
May 21, 2015**

B

The meeting was called to order by Alexa Nerdrum, Vice-Chairperson, at 11:14 a.m.

**ROLL CALL**

Members Present: Clark, Flack, Hastie, Heusel, Nerdrum, Monroe  
Members Absent: Crawford, Powers  
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 presented.  
**Approved**

**B. APPROVAL OF MINUTES – April 16, 2015**

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

**C. CONSENT AGENDA – None**

**D. ACTION ITEMS**

**D-1 Revised FOIA Policy**

It was **moved** by Monroe and **seconded** by Clark to approve the revised FOIA Policy as submitted.  
**Approved**

**E. DISCUSSION ITEMS - None**

**F. REPORTS**

**F-1 Investment Policy Committee Minutes – May 5, 2015**

Following are the Investment Policy Committee minutes from the meeting convened at 3:13 p.m. on May 5, 2015:

Member(s) Present: Clark, Flack (via tx @ 3:39 p.m.), Monroe  
Member(s) Absent: Hastie  
Other Trustees Present: None  
Staff Present: Kluczynski, Walker  
Others Present: Henry Jaung, Meketa Investment Group

**MARCH 31, 2015 QUARTERLY INVESTMENT REVIEW**

Mr. Jaung stated that as of March 31, 2015, the VEBA was valued at \$129.8 million, an increase of \$2.5 million for the fiscal year to date. During the fiscal year to date, the VEBA reported net cash outflows of approximately \$0.1 million. The VEBA returned 2.4% for the first quarter, net of fees. The VEBA first quarter return was driven by positive performance by all asset classes, excluding emerging market debt.

Equities posted positive performance for the quarter. International developed markets (+6.6%) rallied, followed by domestic equities (+2.5%) and international emerging markets (+0.6%). Bank loan assets achieved the highest return within fixed income (+2.1%), followed by high yield bonds (+1.9%), investment grade bonds (+1.7%), and TIPS (+1.3%). Emerging market debt (-3.2%) declined this quarter. At the end of March, the VEBA was within all of its asset allocation target ranges, with the exception of investment grade bonds. The investment grade bond overweight mostly offsets the current TIPS underweight (-7%). On March 25th, 2015, IR&M 1-10 Year Index was transferred from a separate account to the commingled fund.

**ADJOURNMENT**

**Meeting adjourned at 5:46 p.m.**

**F-2 Preliminary Investment Reports for the Month Ended April 30, 2015**

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended April 30, 2015, to the Board of Trustees:

4/30/2015 Asset Value (Preliminary)	\$130,580,348
3/31/2015 Asset Value (Audited by Northern)	\$129,893,993
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$3,711,627
Percent Gain <Loss>	2.9%
<b>May 20, 2015 Asset Value</b>	<b>\$ 131,822,265</b>

**F-3 Legal Report – Recent Legal Issues & Decisions**

Mr. VanOverbeke reviewed a summary report of recent legal issues and decisions of interest to Michigan public retirement and healthcare plans. Received and filed.

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	Buck Consultants	2,331.71	3 <sup>rd</sup> qrtly installment, incl valuation
2	RhumbLine Advisers	1,187.00	Investment mgmt. fees: 1/31/2015 - 3/31/2015
3	Meketa Investment Group	3,750.00	Investment Consultant Retainer – April 2015
4	VanOverbeke, Michaud & Timmony, PC	1,339.00	Fees for Legal Services: 4/1/2014 – 12/31/2014
5	Fisher Investments	32,425.46	Investment mgmt. fees: 1/1/2015 – 3/31/2015
	<b>TOTAL</b>	<b>41,033.17</b>	

**J. ADJOURNMENT**

It was **moved** by Monroe and **seconded** by Clark to adjourn the meeting at 11:16 a.m.

**Meeting adjourned at 11:16 a.m.**

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

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