

CITY OF ANN ARBOR RETIREE HEALTH CARE BENEFIT PLAN & TRUST  
BOARD OF TRUSTEES

Minutes for the Regular Board Meeting

January 21, 2021

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 9:45 a.m.

**ROLL CALL**

Members Present: DiGiovanni(*Via TX, Ann Arbor, MI*), Flack(*Via TX, Wood County, OH*),  
Horning(*Via TX, Tawas City, MI*), Lynch(*Via TX, Whitmore Lake, MI*), Monroe(*Via TX, Ann Arbor, MI*), Peariso(*Via TX, Ann Arbor, MI*), Schreier(*Via TX, Ann Arbor, MI*)  
Members Absent: Hastie, Nerdrum  
Staff Present: Buffone(*Via TX*), Gustafson(*Via TX*), Hollabaugh(*Via TX*), Orcutt(*Via TX*)  
Others: Michael VanOverbeke(*Via TX*), Legal Counsel

**AUDIENCE COMMENTS**

**A. APPROVAL OF AGENDA**

It was **moved** by Schreier and **seconded** by DiGiovanni to approve the agenda as submitted.

**Approved**

**B. APPROVAL OF MINUTES**

**B-1 December 17, 2020 Regular Board Meeting**

It was **moved** by Schreier and **seconded** by DiGiovanni to approve the December 17, 2020 Board Meeting minutes as submitted.

**Approved**

**C. CONSENT AGENDA - None**

**D. ACTION ITEMS**

**D-1 Resolution to Terminate Hexavest**

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 as the Retirement System's investment consultant, the Investment Policy Committee (IPC), and the Board of Trustees have reviewed material presented by Meketa regarding Hexavest International Equity Strategy's performance and current organization changes at the November 3 2020 and prior IPC meetings, and

WHEREAS, the IPC and Meketa Investment Group recommend that Hexavest be terminated and the funds invested in the Artisan International Value Fund, so be it

RESOLVED, that the Board of Trustees approves the termination of Hexavest International Equity, and investment of the proceeds of such liquidation be placed into the Artisan International Value Fund, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

It was **moved** by Peariso and **seconded** by Monroe to terminate Hexavest and the investment of the proceeds of such liquidation be placed into the Artisan International Value Fund, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

**Approved**

**D-2 Resolution to Invest in Artisan international Value 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 as the Retirement System's investment consultant, the Investment Policy Committee (IPC), and the Board of Trustees have discussed an allocation to International Developed Market Equity, and

WHEREAS, a potential International equity manager, Artisan Partners, presented their investment strategies to the IPC on January 5, 2021, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment with Artisan Partners so be it,

RESOLVED, that the Board of Trustees approve the investment In the Artisan International Value Fund with a commitment in the amount of approximately \$13 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence, if applicable, and further,

RESOLVED, that the Artisan International Value Fund be funded with the proceeds from the Hexavest redemption and approximately \$3 Million from the WCM Focused Growth International Fund.

It was **moved** by Peariso and **seconded** by Schreier to Trustees invest in the Artisan International Value Fund with a commitment in the amount of approximately \$13 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence, if applicable.

**Approved**

**E. DISCUSSION ITEMS - None**

**F. REPORTS**

**F-1 Preliminary Investment Reports for the Month Ended December 31, 2020**

Maria Buffone, Accountant, submitted the Financial Report for the month ended December 31, 2020, to the Board of Trustees:

12/31/2020 Asset Value (Preliminary)	\$222,969,491
11/30/2020 Asset Value (Audited by Northern)	\$216,291,088
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$24,173,586
Percent Gain <Loss>	12.20%
<b>January 20, 2021 Asset Value</b>	<b>\$224,270,429</b>

**F-2 Legal Report – None**

**G. TRUSTEE COMMENTS / SUGGESTIONS**

**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.

	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1	VanOverbeke, Timmony & Michaud	\$2,752.20	Legal Fees 7/1/2020 - 9/30/2020
2	Meketa Investment Group	\$3,750.00	Investment Consulting Fee 12/2020
3	Hexavest	\$13,501.06	Investment Management Fee 10/2020 - 12/31/2020
	Total	\$20,003.26	

**J. ADJOURNMENT**

It was **moved** by Schreier and **seconded** by DiGiovanni to adjourn the meeting at 9:50 a.m.  
**Meeting adjourned at 9:50 a.m.**

*Wendy Orcutt*

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