Present: Chairperson O'Connell; Vice-Chair Shock; Members: Briggs, Fisher

Absent: Stearn

Also Present: Village Manager, Wilson
Public Safety Director, Woodard
Asset Strategies, Vitta

Chairperson O'Connell called the meeting to order at 9:26 p.m. in the Public Safety Department conference room at 18600 W. Thirteen Mile Road.

REVIEW/APPROVE MINUTES OF RETIREMENT BOARD MEETING ON RETIREE HEALTH CARE FUND – FEBRUARY 23, 2010

Motion by Shock, second by Briggs, that the minutes of a Retirement Board meeting on the Retiree Health Care Fund held February 23, 2010 be approved as submitted.

Motion passed (4 – 0).

ASSET ALLOCATION REPORT FOR RETIREE HEALTH CARE FUND

George Vitta reported that he met with Finance Director Wiszowaty to review the Village oversight of assets in the Retiree Health Care Fund. At its last meeting, the Retirement Board authorized the Finance Director to move the entire proceeds invested in the Munder Asset Allocation to the Vanguard STAR Fund. This was accomplished on March 16, 2010. There is $1,070,382 in the Vanguard STAR Fund at this time.

The Vanguard Fund is a balanced fund consisting of U.S. and International stocks. Vitta outlined the content of the fund: 45% U.S. equities; 16% International (with 4% in emerging markets); 39% in Fixed Income). The equities are actively managed by different portfolio managers at Vanguard and Fixed Income is indexed.

Vitta stated that there is $334,000 of Retiree Health Care money on deposit in a Comerica cash account. Wiszowaty has indicated that he would be comfortable with taking that amount down to $34,000, freeing up $300,000 to go into a longer term investment strategy. He has another account set up for the prescription program, which is maintained at just under $12,000.

Because the Vanguard STAR Fund is so well diversified, Vitta does not feel a need to go through the asset allocation study at this meeting. There is no cost to get in or out of the Vanguard STAR Fund, and the internal expense ratio is low. Vitta will present a first draft of an investment policy statement for Board review at the August meeting. He will provide members with material prior to the meeting so they will be prepared to consider different investment mixes and an asset allocation strategy.

O'Connell questioned the 16% invested in International equities in the Vanguard Fund when the Retirement System is limited to a 10% International asset allocation. Vitta responded that the portfolio is statutorily limited to 20% in International equities. The Retirement System's asset allocation target in Non U.S. Equities is at 10% for the reason that it is building back up to

International equities. Vitta is comfortable with the 15% range based on the funds that Vanguard has selected; they use three different International managers.

> Motion by Briggs, second by Shock, to move $300,000 from the Comerica depository account and invest it in the Vanguard STAR Fund.
>
> Motion passed (4 – 0).

Vitta asked for the Board's thoughts about putting the $300,000 investment to work immediately or investing on a dollar cost averaging basis. Following discussion, the Board agreed to invest the entire $300,000 into the Vanguard Fund at one time.

PUBLIC COMMENTS
None

The meeting was adjourned at 9:43 p.m.