Call to Order
Monica Boote called the meeting to order at 2:34 p.m.

Roll Call
Monica Boote called the role

MEMBERS PRESENT: Diane Heidt, Tina Gavalier, Gary Lowe, Conan Smith (2:55)

MEMBERS ABSENT:

OTHERS PRESENT: Monica Boote, Sarah Erskine, Chyanne Cooper, Human Resources; Jane Thurston, AWARE Liaison; Timothy Brice, Amy Cole, Graystone Consulting, Gary Lowe, Catherine McClary, Treasurer

M. Boote informed the Board that they do not select their Chair and Vice-Chair until their February meeting. Therefore, she requested that the Board considers a motion to appoint a Trustee to chair for just the January special meeting.

D. Heidt seconded by T. Gavalier to appoint Gary Lowe as Chair for the January 17, 2018 meeting and select the Chair and Vice-Chair at the February meeting.

Unfinished Business
The board discussed that the calendar was set during the last meeting in December.

New Business
None

Report of Investment Consultant
Ms. Amy Cole presented that the Portfolio was up 2.7%, as of January 16, 2018. The trailing 12 months was up 16.17%, which equated to over $18 million dollars in appreciation.

A. Manager Review and Search
Ms. Cole discussed that Morgan Stanley has reviewed all the managers, and they have decided what would be the best way to move the portfolio forward. They would like to rebalance in two phases, focusing on phase one now. They would like to discuss phase two at a later meeting.

B. Portfolio Structure Review and Cost Analysis
C. Rebalance
Mr. Tim Brice presented the rebalance recommendation. They are recommending terminating Loomis Sayles and hiring an active value manager, as well as moving some funds into the Russell 1000 index. The phase one, ad discussed earlier, would also include terminating Santa Barbara and moving those funds to the S&P 500, Cambiar International, and Vanguard Developed Markets.
Mr. Brice reviewed the cost structure of all the changes they are proposing. The Portfolio is currently at 61 basis points, and the recommended changes would bring it down to 57 basis points. The Board would be saving over $55,000. This would also allow a better return, and it would provide better security in terms of risk.

Mr. Brice also suggested hiring Aristotle Capital as the new money manager to replace Loomis Sayles. Aristotle Capital has had greater returns with lower risks over the past several years. He then provided further background information.

The Board discussed hiring Aristotle Capital as a new money manager.

C. Smith seconded by T. Gavalier to accept the recommended rebalance of terminating Loomis Sayles and Santa Barbara, allocating $12.7 million to Aristotle Capital, $3.2 million to Vanguard Russell 1000, $2.5 million to the Vanguard S&P 500, $1.8 million to the Vanguard Developed Market, and $2.2 million to Cambiar International. All in favor, motion carried.

**Report of the Chair**
None

**Adjournment**
D. Heidt seconded by T. Gavalier to adjourn at 3:19pm. All in favor, motion carried.

**Upcoming Board Meetings** –

Wednesday, February 7, 2018, Regular Meeting
BOC Conference Room,
220 N. Main St, Ann Arbor, MI 2:30 p.m. – 4:00 p.m.