

**MINUTES OF THE REGULAR MEETING**  
**City of Aurora General Employees' Retirement Board**

Held Thursday, September 20, 2018  
12100 East Iliff Avenue, Suite 108  
Aurora, CO 80014

**1) 8:00 AM - Meeting Called to Order**

**Roll Call**

Chairperson	David McConico	Present
Legislative Members	Helen DiBartolomeo	Present
	Cliff Haight	Excused
	Joe McCleary	Present
	Michelle Reding	Excused
	Sue Sandstrom	Present
	Trevor Vaughn	Present
Nonvoting Members	Janice Napper (for the City Manager)	Present
	Terri Velasquez (Finance)	Present
	Dianna Giordano (Human Resources)	Present
	Hans Hernandez (City Attorney)	Present
Staff	Steven Shanks	Present
	Aaron Kahn	Present

**2) Approval of the Minutes**

Trevor Vaughn moved, and Sue Sandstrom seconded a motion to approve the minutes of the regular meeting held on August 16, 2018 and the minutes of the Investment Managers meeting held on August 23, 2018. The motion passed unanimously.

**3) New Business**

**A) Abbott Capital**  
**John Thomas and Tim Maloney**

Abbott Capital started in 1986 and has approximately 60 employees, owned by 10 managing directors. Mr. Thomas noted that the original founders have retired. GERP is invested in the core diversified portfolio. Mr. Maloney noted that Abbott's strategy outperforms during down markets and participates during up markets. The advantage of fund of funds investing in private equity is both diversity and access. Abbott has a great deal of experience and is respected in the private equity markets.

David McConico challenged both Abbott and Callan to provide a convincing argument that private equity is an appropriate asset class for a pension plan. He asked for greater clarity and transparency with respect to the asset class, starting with appropriate performance measures. Aaron Kahn requested that each fund be compared with the S&P 500 index, matching cash flows and valuations. Board members are

sophisticated enough to understand that early in a private equity investment, the fund will underperform the index, but at the end of the investment period, the Board will be able to determine its opportunity cost over the lifetime of the fund.

4) **Treasurer's Report**

Steve Shanks reviewed financial statements and investment performance for July. On September 17, 2018 the fund was valued at approximately \$478.0 million.

5) **Review of Lump Sum Distributions for August**

21 participants took lump sum distributions totaling \$362,268.70.

6) **Approval of Retirement Benefits**

Aaron Kahn presented the retirement calculations. Joe McCleary moved, and Trevor Vaughn seconded a motion to approve retirement benefits for **Dawn D. Barrett, Santos A. Blan, Christopher J. Bradley, Jay E. Mehallow, Mark K. Morris, Pauline L. Sena, Steven R. Vosper, Neil E. Wiegert, and Kirby L. Woods.** The motion passed unanimously.

7) **Old Business**

8) **Public Comments**

There were no public comments.

8) **Report on Travel**

Both Trevor Vaughn, Terri Velasquez, and Sue Sandstrom attended the conference provided by the Colorado Public Pension Coalition. Trevor recommended that Board members consider this conference for future consideration. The conference reviewed the economy, fiduciary education, retirement savings vehicles, and the anatomy of a recession. Sue Sandstrom is on the Board of Trustees of the Colorado Public Pension Coalition. She feels that they do a nice job of providing information and education to Defined Benefit providers.

David McConico attended Public Pension Funding Forum presented by the National Conference on Public Employee Retirement Systems. He noted that the forum also provided great education and resources for pension providers. He was very interested in a presentation which questioned the appropriateness of private equity in public pension plans. In addition, he enjoyed a presentation regarding stress testing plan funding.

9) **Staff Report**

Steve Shanks provided Board members with a copy of the newsletter that was recently sent to all plan participants. The newsletter announced Tom Connell's retirement, provided information about the election, and reviewed the Plan's financial health. The Board election is scheduled for October 24, 2018.

Plan members 50 and older will be invited to the two-day Retirement Ready Workshop scheduled for October 10<sup>th</sup> and October 17<sup>th</sup>. Rick Rodgers will run most of the seminar along with several guest speakers.

Dianna Giordano noted that the City and Staff have drafted an agreement for insurance coverage for Staff. Steve Shanks noted that there are just a few details to review, but that he expects that it will be ready to sign shortly.

Dianna also noted that GERP staff have been invited to provide information to new hires at orientation. Aaron Kahn said that he's very excited to provide new hires information and encourage participants to also participate in the Nationwide 457 Plan.

Joe McCleary noted that during the section of the Retirement Ready Workshop on "How to avoid being taken advantage of by financial service creditors", the presenter should discuss how to discuss financial information with parents. Joe has recently experienced this issue first hand.

Trevor Vaughn moved, and Joe McCleary seconded a motion to adjourn. The motion passed unanimously.

Meeting Adjourned 10:34 AM  
Minutes Submitted by Aaron Kahn

Minutes Approved

David L. McConico  
Chairperson of the Board

October 30, 2018  
Date