

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

Held Thursday, November 21, 2019
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 (on phone)	Present
	Cliff Haight	Present
	Michelle Reding	Excused
	Sue Sandstrom	Present
	Trevor Vaughn	Excused
Nonvoting Members	Janice Napper (for the City Manager)	Present
	Jackie Ehmann (Finance)	Present
	Dianna Giordano (Human Resources)	Present
	Hanosky Hernandez (City Attorney)	Present
Staff	Steven Shanks	Present
	Aaron Kahn	Present

2) Approval of the Minutes

The approval of the minutes was deferred to a later meeting as there weren't enough Board members who attended the meeting to approve them.

3) Treasurer's Report

Steve Shanks reviewed the financial statements and investment performance for September 2019. As of November 15, 2019, the fund was valued at approximately \$509.5 million.

Steve announced that Molpus has scheduled a capital call on November 2, 2019 of \$3.95 million. Sue Sandstrom made, and Cliff Haight seconded, a motion to transfer \$4 million from the Blackrock S&P 500 Index Fund to cash to cover the capital call. The motion passed unanimously; Helen DiBartolomeo, Cliff Haight, David McConico, and Sue Sandstrom; for.

4) Review of Lump Sum Distributions for October

23 participants received lump sum payments totaling \$351,893.09.

5) Approval of Retirement Benefits

Aaron Kahn presented the retirement calculations. Cliff Haight made, and Sue Sandstrom seconded, a motion to approve retirement benefits for **Valerie A. Adair, Margaret A. Cannon, Dasel E. Hallmark, and Sharon K. Holmes**. The motion passed unanimously: Helen DiBartolomeo, Cliff Haight, David McConico, and Sue Sandstrom; for.

6) Old Business

A) Review of Board Applicants

Steve Shanks suggested that Board members rank their preferences of the applicants for the City Council appointed Board member by email. The Board will decide which candidates to interview at the December 5, 2019 Board meeting. Hans Hernandez noted that the Board can recommend one or more candidates to the City Council and provide other documentation of the interview process, but the appointment is completely at the discretion of City Council. The Board will interview candidates on the December 12, 2019 Regular Board meeting.

7) Public Comments

There were no public comments.

8) New Business

A) Adoption of 2020 Meeting Calendar

The Board reviewed the 2020 calendar. Cliff Haight made, and Sue Sandstrom seconded a motion to adopt the 2020 Meeting Calendar as presented. The motion passed unanimously: Helen DiBartolomeo, Cliff Haight, David McConico, and Sue Sandstrom; for.

B) Renewal and Discussion of E&O Insurance Policy

Steve Shanks discussed insurance with Ty Goare at Gallagher. GERP is renewing its Errors and Omissions policy. The policy covers the Board's administration of the EOEP plan and is paid for by the City.

Ty noted that there are two areas where the Board might consider additional coverage. She noted that the Board is not covering Board members who might be sued outside of their official capacity as Board members. In addition, the Board does not have an employment practices policy to cover lawsuits brought on by dissatisfied staff members. The Board asked for additional information regarding these areas.

Steve noted that GERP's E&O coverage will be renewed and that the other areas will be covered at a future meeting.

C) Evaluation for Pension Plan Administrator – Executive Session

Steve Shanks's evaluation was deferred to December 12, 2019.

9) Travel Report

Steve Shanks attended the Public Pension Financial Forum which covers finance, investments, and actuarial practices. At the forum there was some discussion of adding reporting of plan liabilities using a low, no-risk, discount rate. Since the underlying investments of Public Pension Plans should outperform no-risk investments over time, and since the time horizon for Public Pension plans is long, forum attendees agreed that a low discount rate is inappropriate and misleading.

Steve Shanks also attended the Callan College session on Private Equity investments. He noted that the trend in private equity is toward lower fees. The private equity investments outperformance of the public markets has not been as substantial as it once was.

In addition, Steve attended a one-day Rocky Mountain Pension Conference. Presenters at that conference noted that the current prolonged bull market has lasted a very long time, but also has not been as steep of an increase as past bull markets. The hope is that any correction is a soft landing.

David McConico attended the Abbott Capital Annual Meeting. He noted that Abbott is an evolving organization with many younger investment professionals. Abbott is a smaller organization than HarbourVest. The presentation by the General Partners were interesting.

10) Staff Report

State Street Retiree Services sent GERP a check for \$21,091.17. The payment is due to inconsistencies in State Street billings for postage. State Street had various agreements with different clients on how postage would be charged. Since State Street often got a discount due to the mass mailings their cost was lower than what they were charging clients. State Street provided records of all postage data from September 2007 to December 2017 and used a documented methodology to estimate charged from 1995 to 2007. Board members agreed that the check should be deposited in the GERP account at Citywide and no further action will be taken.

Aaron Kahn will be presenting at a Retirement Workshop at the City on November 22, 2019. The workshop will cover GERP, Nationwide 457, the PEHP program, Social Security, Medicare, and Tax ramifications of retirement.

Steve noted that the Holiday Reception is on December 17. Please RSVP to Laura.

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At the end of the meeting there wasn't a quorum.

Meeting Adjourned 9:45 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

David L. McConico

Chairperson of the Board

12/12/19

Date