

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

Held Thursday, May 21, 2020  
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	Cliff Haight	Excused
	Andrew Jamison	Present
	Michelle Reding	Present
	Sue Sandstrom	Present
	Tom Tobiassen	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)	Excused
Staff	Steven Shanks	Present
	Aaron Kahn	Present

Due to concerns about COVID 19, the Board Meeting held on Thursday, May 21, 2020 was conducted over the phone.

**2) Approval of the Minutes**

Michelle Reding made, and Trevor Vaughn seconded, a motion to approve the minutes of the regular meeting held on April 16, 2020. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

**3) Treasurer's Report**

Steve Shanks reviewed the financial statements and investment performance for March. As of May 15, 2020, the fund was valued at approximately \$474.8 million.

Steve proposed a that the Plan transfer \$2 million from fixed income to cash. Sue Sandstrom made, and Tom Tobiassen seconded, a motion to transfer \$1.6 million from Segal Bryant Hamill, and \$0.4 million from Western Asset Management to operating cash. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

Steve informed the Board that he had reviewed the latest reports from the Private Equity investors. He noted that the amounts of the bridge loan payments were in-line with the liabilities and unfunded commitments.

4) **Review of Lump Sum Distributions for April**

Ten participants received lump sum payments totaling \$59,890.05.

5) **Approval of Retirement Benefits**

Aaron Kahn presented the retirement calculations. Trevor Vaughn made, and Andrew Jamison seconded, a motion to approve retirement benefits for **Richard Dierker, Timothy C. Gough, Gary Hoffman, Les Lallo, and Jill Piatt-Kemper**. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

6) **Public Comments**

There were no public comments.

7) **New Business**

A) **City's Financial Response to COVID-19 and Possible Impact on GERP**  
**Dianna Giordano, Terri Velasquez**

Dianna Giordano explained that the City is anticipating a significant budgetary impact due to COVID-19. Due to these concerns the City has laid off 575 contingent employees, who are mostly seasonal or temporary workers. The City has also significantly reduced the number of new hires at this time.

The City has had discussions about having furlough days. Furlough days modestly affect contributions and average earnings for the GERP. The City is not considering any incentive for early retirement.

B) **Preview of Callan's Effect of Eliminating Private Equity Presentation**

Board members reviewed Callan's upcoming presentation on Private Equity. The presentation indicates that if the plan removed its Private Equity investments, and instead, invested that money in equities proportionate to the target allocation, the Plan would have performed worse.

The report indicates that Private Equity performs better during down markets and lags during up markets. This effect could be due to liquidity and appraisal frequency, but over time, has had a real effect on Plan assets.

Board members suggested that volatility as a measure of risk in an illiquid asset may not be the most appropriate measure of risk. Further discussion will take place at the Investment Managers meeting next week.

8) **Old Business**

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**A) Approval of GERP's Participation in the City's 457 Plan**

Steve Shanks noted that Staff is moving forward with GERP's participation in the City's 457 Plan administered by Nationwide. By participating in the City's program, staff will have lower fees, but also will be more familiar with Nationwide's systems, calculators, and educational information. Once Steve has the final proposal, he will bring it to the Board for approval. Aaron Kahn thanked Terri Velasquez for her help.

**9) Report on Travel**

Board members discussed virtual conference opportunities. Steve will continue to provide Board members with information about which conferences will be available given the concerns about COVID-19.

**10) Staff Report**

Office closed to public at this time. Staff is in the office but is in compliance with social distancing requirements and is wearing masks and using hand sanitizer to minimize risks.

Statements will be mailed to home addresses of active participants this year.

Board members suggested that COVID-19 related monetary support for expenses related to COVID-19 should be explored.

Outside counsel has indicated that there are no required procedural changes for pension plans due to the CARES Act.

Tom Tobiassen made, and Trevor Vaughn seconded, a motion to adjourn. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

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

Minutes Approved

David L. McConico  
Chairperson of the Board

6/18/20  
Date