

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

Held Thursday, June 18, 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	Present
	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
	Renee Mosley for D. Giordano (Human Resources)	Present
	Hans Hernandez (City Attorney)	Present
Staff	Steven Shanks	Present
	Aaron Kahn	Present

Due to concerns about COVID 19, the Board Meeting held on Thursday, June 18, 2020 was conducted via WebEx.

2) Approval of the Minutes

Trevor Vaughn made, and Michelle Reding seconded, a motion to approve the minutes of the regular meeting held on May 21, 2020. The motion passed unanimously with Cliff Haight, Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

Michelle Reding made, and Sue Sandstrom seconded, a motion to approve the minutes of the Investment Manager meeting held on May 28, 2020. The motion passed unanimously with Cliff Haight, 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 April. As of June 17, 2020, the fund was valued at approximately \$501.5 million. The market remains quite volatile.

Steve Shanks noted that Abbott V is in dissolution as of May 25, 2020. Private equity managers' fees are based on the commitment, not the remaining investment, therefore Steve has asked about lowering the fees

at the end of the life of the Private Equity investment. Abbott has suggested that some of the remaining investments might be sold on the secondary market.

4) Review of Lump Sum Distributions for May

Twenty-two participants received lump sum payments totaling \$247,674.39.

5) Approval of Retirement Benefits

Aaron Kahn presented the retirement calculations. Trevor Vaughn made, and Tom Tobiassen seconded, a motion to approve retirement benefits for **Laurie A. Hall, Ronald L. Harrison, Pamela L. Hensley, Thomas L. Keown, Michael Shannon, and Stephanie A. Stephens**. The motion passed unanimously with Cliff Haight, Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

6) New Business

A) Investment Policy Statement

The Board's Investment Policy Statement outlines the objectives of the Plan, and provides details on asset allocation and implementation, performance goals, investment manager search process, and watchlist or termination guidelines. The Investment Policy Statement outlines the roles and responsibilities of the Board, Staff, Investment Managers, Investment Consultants, and Actuaries. Steve Shanks reviewed the proposed changes to the Investment Policy Statement which were mostly suggestions by Callan. Steve noted that most of the edits were to add clarity to the document.

Steve Shanks suggested that he would like to review Smith Graham's service agreement as to the guidelines for the Small/Mid Cap investment. He suggested that Board members take some time to review the documents and that approval of the changes can happen at a later meeting.

B) Amendment to City Code

The Board recently adopted changes to the actuarial assumptions for the Actuarial Valuation. The Board, historically, has delayed adopting the new actuarial assumptions for the purpose of benefit payment calculations including money purchase, joint & survivor, and certain and lifetime options. Adopting actuarial assumption changes for the valuation is fully at the discretion of the Board. Adopting actuarial changes for calculating benefit payment options requires a change to the City Code and requires an Ordinance to be approved by City Council.

Steve Shanks reviewed a draft Ordinance change which includes the actuarial assumption changes as well as a change in the definition of average earnings for participants with less than 3 years of service. Under the current definition of average earnings, short service participants who are older than 67 when they leave employment can qualify for a benefit that is unusually high given their service and contributions. Aaron Kahn suggested amending the draft Ordinance by defining the numerator in the

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average earnings calculation to be all pensionable earnings earned during the less than 3 years of employment.

Trevor Vaughn made, and Michelle Reding seconded, a motion to recommend that City Council adopt the actuarial assumption changes for benefit payments, and the new definition of average earnings for short service participants, as amended. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Cliff Haight, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

7) Public Comments

There were no public comments.

8) Old Business

There was no old business.

9) Report on Travel

There was no report on travel.

10) Staff Report

Steve noted that the Summary Annual Financial Statements were sent to all plan participants and Board Members.

Michelle Reding, Cliff Haight, David McConico, and Steve will be reviewing the Comprehensive Annual Financial Report on June 26, 2020. The deadline for filing with the GFOA is June 30, 2020.

Board discussed meeting software and encouraged Steve Shanks to get a WebEx account.

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

Meeting Adjourned 9:21 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

David L. McConico

Chairperson of the Board

7/16/20

Date