

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

Held Thursday, May 20, 2021
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)	Excused
	Terri Velasquez (Finance)	Present
	Dianna 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, May 20, 2021, was conducted via WebEx.

2) Approval of the Minutes

Tom Tobiassen made, and Trevor Vaughn seconded, a motion to approve the minutes of the regular meeting held on April 15, 2021. 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 noted that the Private Equity updates were not included in the March Northern Trust Financials. Steve said that they will be able to include the Private equity in the March statements today. Steve will have to review and finish the financials as soon as he has a chance to put them together.

Due to high equity returns, the fixed income allocation is below target. Steve proposed transfers to increase the fixed income allocation to 24%. Board members were happy with Steve's suggestion. Trevor Vaughn

**Minutes of the Regular Meeting
Held Thursday, May 20, 2021**

Page 2

suggested increasing the fixed income up to the target allocation of 25%, keeping the proportions of Steve's original recommendation. Board members agreed. Trevor Vaughn made, and Cliff Haight seconded, a motion to transfer funds from both international and domestic equities to the fixed income managers to bring the fixed income allocation up to the target of 25%. The motion passed unanimously with Cliff Haight, Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen and Trevor Vaughn for.

Steve Shanks called Molpus to ask whether we should expect higher returns given the increase in lumber prices. Molpus explained that lumber prices are not as correlated with timberland prices as one might expect. One might see an increase as timber is harvested, but that process takes time.

The bank of one of our participants notified us that the participant had died. Unfortunately, it appears that the participant died last year and has received 16 payments after his death. We asked Northern Trust why the participant did not show up on our quarterly death search. They indicated that the death search no longer works well because social security number information is not available in every state. Northern Trust recommended that we add birth dates for our participants to increase the effectiveness of the death searches. We will be adding that information to our Northern Trust data. Trevor Vaughn offered to help with finding the participant's family members.

4) Review of Lump Sum Distributions for March

Twenty-one participants received lump sum payments totaling \$193,848.94.

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 **Martin Adrian, Karen Bennett, Harlan E. Garner, Craig E. Macy, and Jerry Reimann**. The motion passed unanimously with Cliff Haight, Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

6) Public Comments

7) New Business

A) January 1, 2021 Actuarial Valuation, Joel Stewart, Milliman

Joel Stewart presented the preliminary report for the January 1, 2021 Actuarial Valuation results. Joel Stewart stated that the purpose of the annual valuation is to measure the Plan's actuarial liabilities, to determine the adequacy of contributions and to provide information required under governmental accounting standards.

The market value of assets increased from \$524 million on January 1, 2020 to \$577 million on January 1, 2021. Due to the three-year smoothing of investment gains and losses, the actuarial value of assets on

**Minutes of the Regular Meeting
Held Thursday, May 20, 2021**

Page 3

January 1, 2021 was \$540 million. The actuarial liability was \$585 million resulting in a funded ratio based on actuarial value of assets of 92%.

David McConico asked how often we should be assessing our actuarial assumptions. Joel Stewart noted that actual assumptions were revised for the January 1, 2020 valuation after the experience study that was conducted in 2019. Steve Shanks noted that the asset/liability study is scheduled for the end of this year. Joel said that it's important to monitor both demographic and financial actuarial assumptions every year.

B) HarbourVest Partners X-Buyout - Request for Extension on Investment Period

Steve Shanks explained that one of the investments in HarbourVest Partners X – Buyout funds has created a new fund to reinvest the proceeds from the sale of the underlying assets for the sole purpose of extending exposure to the top performing assets within that fund.

Sue Sandstrom made, and Cliff Haight seconded, a motion to approve the request for extension on investment period from HarbourVest Partners X – Buyout. The motion passed unanimously with Cliff Haight, Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

8) Old Business

There was no old business.

9) Report on Travel

Colorado Public Plan Coalition invitations have been sent. Trevor Vaughn and Steve Shanks are scheduled to attend. Sue Sandstrom and Terri Velasquez have been involved in presentations in the past.

10) Staff Report

Steve Shanks reviewed the health of staff members.

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

Meeting Adjourned 9:30 AM
Minutes Submitted by Aaron Kahn

Minutes Approved

David L. McConico
Chairperson of the Board

June 17, 2021
Date