

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

Held Thursday, July 15, 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)	Present
	Terri Velasquez (Finance)	Present
	Ryan Lantz (Human Resources)	Absent
	Hans Hernandez (City Attorney)	Absent
Staff	Steven Shanks	Present
	Aaron Kahn	Present

Due to concerns about COVID 19, the Board Meeting held on Thursday, July 15, 2021, was conducted via WebEx.

2) Approval of the Minutes

Cliff Haight made, and Trevor seconded, a motion to approve the minutes of the regular meeting held on June 17, 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 Shanks reviewed the financial statements and investment performance for May. As of July 6, 2021, the fund was valued at approximately \$623.1 million.

4) Review of Lump Sum Distributions for June

Seventeen participants received lump sum payments totaling \$129,586.69.

5) Approval of Retirement Benefits

Aaron Kahn presented the retirement calculations. Tom Tobiassen made, and Sue Sandstrom seconded, a motion to approve retirement benefits for **Clinton Hogue, Daniel P. Mikesell, Sandy Moore, Manuel Pescador, and Sara Roberts**. 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) Review Search Book for new Private Equity Manager

Alex Browning and Gary Robertson, Callan

Alex Browning reviewed the process that the Board has gone through to assess our Private Equity investments. In February of 2020, Callan presented the Private Equity pacing study and recommend a commitment of \$15 million. While the Plan's Private Equity allocation is higher than the target allocation, the pacing study helps to smooth out the timing of the commitment versus the timing of capital calls and distributions. At that time, the Board questioned whether the commitment to Private Equity has benefited the Plan. In March of 2020, Callan provided an analysis that showed that, in aggregate, Private Equity has provided added value. In October of 2020, Callan provided some alternatives to our current fund of funds structure, including modular fund of funds which provides more customization to allocations. In a modular approach, primary, secondary, and co-investment allocations would be at the discretion of the GERP Board. The Board authorized a search and asked Callan to include managers with a modular approach.

Gary Robertson noted that there were only 3 private equity managers who provided a modular approach: BlackRock, Pantheon, and Portfolio Advisors. All the managers have experience with a diverse client base, and Callan included all three in their presentation. In addition, Callan added Pathway Capital, a more traditional fund of funds manager with very good performance and a high conviction investment philosophy.

For the modular managers, the Board would have discretion over the allocation to primary, secondary, and co-investment assets. Mr. Robertson reviewed performance in each category, breaking out realized and unrealized gains, and provided internal rate of return statistics. In addition, he reviewed fees, concluding that fees don't differentiate the candidates substantially.

Cliff Haight suggested that of all the candidates, he was least impressed with BlackRock. He suggested interviewing the other three candidates. Trevor Vaughn agreed with Cliff. Sue Sandstrom also agreed and suggested that interviewing two modular and one traditional fund of funds manager was a good idea. No other Board members objected. The Board asked Steve to set up a meeting with the three candidates.

**Minutes of the Regular Meeting
Held Thursday, July 15, 2021**

Page 3

B) Review of Presentation for the Management and Finance Committee meeting on July 27th

Steve Shanks reviewed a draft of the presentation that he will be providing to the Management and Finance Committee meeting on July 27, 2021. Trevor and Cliff suggested adding a slide regarding Tier 2 COLAs.

7) Public Comments

There were no public comments.

8) Old Business

A) Update on Preparations for Hybrid Meetings

Trevor Vaughn provided Steve Shanks with ideas for hardware for hybrid meetings. Steve went to MicroCenter to discuss the purchase of a TV, speakers, mics, and a camera. MicroCenter suggested a total cost around \$2,500 which is in the budget. Steve noted that installation of TV will have to be assessed by building management.

9) Report on Travel

No report on travel.

10) Staff Report

Steve noted that benefit statements and the annual financial report has been sent out. He will be preparing a newsletter for September.

Trevor Vaughn made, and Michelle Reding 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 9:17 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

David L. McConico
Chairperson of the Board

August 19, 2021
Date