

Minutes of the Regular Meeting
City of Aurora General Employees' Retirement Board
Held Thursday, April 17, 2025
12100 East Iliff Avenue, Suite 108
Aurora, CO 80014

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	Sheree Van Buren (for the City Manager)	Present
	Terri Velasquez (Finance)	Present
	Ryan Lantz (Human Resources)	Present
	Hanosky Hernandez (City Attorney)	Excused
Staff	Steven Shanks	Present
	Aaron Kahn	Present

The Board Meeting held on Thursday, April 17, 2025, was a hybrid meeting conducted via Webex and in person at the GERP office.

1) Approval of the Minutes

Trevor Vaughn made, and Tom Tobiassen seconded, a motion to approve the minutes of the Regular Meeting held on March 20, 2025. The motion passed unanimously with David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn, for. Andrew Jamison abstained.

2) Treasurer's Report

Steve Shanks reviewed the financial statements for January. As of April 11, 2025, the fund was valued at approximately \$636 million.

3) Review of Lump Sum Distributions for March

19 participants received lump sum payments totaling \$140,033.61.

4) Approval of Retirement Benefits

Aaron Kahn presented retirement calculations for Ronald W. Bull and Jon E. Zimmerman. Sue Sandstrom made, and Tom Tobiassen seconded, a motion to approve retirement benefits. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn, for.

Public Comments

There were no public comments.

5) New Business

A) Financial Audit Report as of December 31, 2024

Chris Telli, Anna Thigpen, Joshua Rowsey - Forvis Mazars

Chris Telli thanked the Board for continuing the relationship and introduced Anna Thigpen and Joshua Rowsey. Anna Thigpen noted that the audit committee will work with the auditors to finalize the audit soon. She reviewed a draft of the required communications.

She noted two deficiencies. First, financial statement reconciliations and bank reconciliations have not been reviewed in a timely manner. While this has been an ongoing issue, Anna noted that they have recognized improvements.

Secondly, the audit identified two errors with actuary data for the actuarial valuation as of January 1, 2024. A participant was identified as an active participant but left employment prior to December 31, 2023, and another participant was not identified as an active participant but left employment on January 2, 2024. The auditors recommend that the Plan review the participant data to the actuary to ensure accurate information is reported.

Trevor Vaughn stated that it's been disappointing that the Workday product is not producing the quality of reporting that was available under the previous system. Chris Telli offered to help provide connections with others who are running Workday and noted the rapid growth of the service. Andrew Jamison stated that Workday financials will be going live on July 1, 2025.

B) Preliminary Actuarial Valuation for January 1, 2025

Joel Stewart and Matt Larrabee, Milliman

Page 3

Joel Stewart presented the preliminary report for the Actuarial Valuation for January 1, 2025. He noted that this preliminary report uses the same assumptions as last year. The annual valuation is to measure the Plan's actuarial liabilities, to review demographic status of plan participants, to determine the adequacy of contributions, and to provide information required under governmental accounting standards.

The market value of assets increased from \$613.8 million on January 1, 2024, to \$651.6 million on January 1, 2025. As of January 1, 2025, the smoothed actuarial value of assets was \$640.3 million. The actuarial liability in this preliminary report was \$733.2 million resulting in a funded ratio based on actuarial value of assets of 87% and a funded ratio based on market value of 89%.

Joel Stewart then discussed the assumption about Tier 2 cost-of-living assumptions. He noted that professional standards require a Reasonable Actuarially Determined Contribution. Joel suggested that if an ad hoc cost-of-living adjustment is "substantively automatic" then there should be an assumption regarding the cost-of-living adjustment that values the increase in liability due to the ad hoc increase. He indicated that due to the pattern of the last 7 years, he feels that the Tier 2 cost-of-living adjustment should be characterized as substantively automatic and suggested a 2.5% assumption.

Michelle Reding noted that she would be against any guaranteed cost-of-living increase since an ad hoc, discretionary cost-of-living increase provides the Board with a tool to not provide a cost-of-living adjustment for Tier 2 participants if the Plan becomes underfunded. Aaron Kahn noted that the Tier 1 supplemental benefit has not increased since January 1, 2009, so the Board has shown that they are willing to suspend cost-of-living increases for retirees. Steve Shanks suggested that using a 2.5% assumption for the Tier 2 Regular Benefit would indicate that the Board has a tool to reduce liabilities but that they would never use it.

Matt Larrabee noted that the South Dakota Retirement System has a cost-of-living adjustment that is both based on inflation and the actuarially determined affordability of awarding the discretionary cost-of-living adjustment. This can help satisfy the actuaries' concerns regarding "reasonable actuarial determined contribution." Steve Shanks noted that the impact on liabilities of the Tier 2 cost-of-living adjustments over the last 7 years has been minimal and has been a factor in the Board's decision to award those increases. During the Board's discussions with respect to the Tier 2 benefits, Board members have indicated that the low impact on liabilities due to the small population of Tier 2 participants has been a factor in their decision. As the population increases, if the funded status starts to deteriorate, the increases would not be substantively automatic.

6) Old Business

**Minutes of the Regular Meeting
Held Thursday, April 17, 2025**

Page 4

There was no new business.

7) Report on Due Diligence, Education and Travel

No report on due diligence, education, and travel.

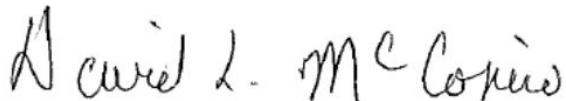
8) Staff Report

Steve noted that we are working on finishing up the audit. The audit committee will review the audit soon.

Tom Tobiassen made, and Sue Sandstrom, 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 at 9:37 am
Minutes Submitted by Aaron Kahn

Minutes Approved



March 20, 2025

Chairperson of the Board

Date