

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

Held Thursday, June 20, 2019
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	Helen DiBartolomeo	Present
	Cliff Haight	Present
	Steve Wasiecko	Excused
	Michelle Reding	Excused
	Sue Sandstrom	Present
	Trevor Vaughn	Present
Nonvoting Members	Janice Napper (for the City Manager)	Present
	Terri Velasquez (Finance)	Present
	Dianna Giordano (Human Resources)	Present
	Hanosky Hernandez (City Attorney)	Present
Staff	Steven Shanks	Present
	Aaron Kahn	Present

2) Approval of the Minutes

Trevor Vaughn made, and Sue Sandstrom seconded, a motion to approve the minutes of the regular meeting held on May 16, 2019, and the minutes of the Investment Manager Meeting held on May 23, 2019. The motion passed unanimously with David McConico abstaining from the May 16 meeting.

3) Treasurer's Report

Steve Shanks reviewed the financial statements and investment performance for April 2019. As of June 13, 2019, the fund was valued at approximately \$483.0 million.

4) Review of Lump Sum Distributions for May

24 participants received lump sum payments totaling \$188,988.75.

5) Approval of Retirement Benefits

Aaron Kahn presented the retirement calculations. Cliff Haight made, and Trevor Vaughn seconded, a motion to approve retirement benefits for **Ruth Brassell, Willie J. Brown, David J. Chambers, Linda Clohessy, Sandra L. Kaunisto, Keith M. Krause, Scott A. McTaggart, and Brenda K. Whiteford**. The motion passed unanimously.

6) New Business

**A) HarbourVest Partners, LLC
Craig Fowler and Mark Radville**

HarbourVest is an independent private equity fund of funds manager. Established in 1982 as Hancock Venture Partners, a subsidiary of John Hancock Insurance, the firm has grown to be one of the largest private equity investment managers. Currently HarbourVest has \$58 billion in assets under management.

Mark Radville stated that HarbourVest's supportive, collaborative culture is rare in the private equity industry. Through the years, private equity investing has changed and HarbourVest has had to evolve. HarbourVest's global platform and knowledge of the market allows them to develop unique insights, strong relationships, and achieve early access. They actively monitor investments and operations with due diligence, analytical and benchmarking tools.

David McConico noted that when he was at the annual meeting in London, Chris Walker, the chairman of the ESG committee provided some excellent information on HarbourVest's environment, social, and governance processes and policies. Craig Fowler explained that HarbourVest is a signatory to the Principles for Responsible Investment as developed by the United Nations. HarbourVest has been proactive in developing guidelines and use a proprietary scorecard to rank the ESG programs of 178 general partners. This process benefits investors, as numerous studies have shown that diverse and inclusive teams make faster decisions and deliver better overall outcomes for their clients.

Board members challenged Mark Radville and Craig Fowler to improve the reporting of returns. Mark noted that Callan provides an analysis of the returns of HarbourVest. Aaron Kahn requested that all reporting of returns include a public market equivalent analysis. The Institutional Limited Partners Association recommends that fund managers disclose both gross and net internal rates of return and a multiple of invested capital. Aaron explained that IRRs and multipliers don't clearly show that the private equity investments are doing better than the public markets.

Trevor Vaughn asked how HarbourVest calculates valuations. Mark explained that HarbourVest takes the valuations provided by the general partners, but then carefully reviews all audited financials, comparable companies valuations, and third party confirmations to assess the reasonableness of the valuations.

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7) Public Comments

There were no public comments

8) Old Business

There was no old business.

9) Report on Travel

David McConico attended the HarbourVest 2019 Annual Meeting in London. He was impressed by Chris Walker's presentation on ESG.

10) Staff Report

Steve Shanks stated that Active Statements have been sent to participants. Deferred Vested statements are being printed and will be sent shortly.

Steve is completing the Comprehensive Annual Financial Report, and the audit committee is scheduled to review it on June 25th. Steve expects to file it electronically with the GFOA on Friday, June 28th.

The two half-day sessions of the Retirement Ready Workshop went well. The workshop provides useful information to those individuals approaching retirement.

The City is now offering a Post-Employment Health Plan (PEHP) to all employees which will be administered by Nationwide. The PEHP program allows participants to contribute both unused vacation and sick leave to an account which provides tax advantages both when the money is contributed and when it is distributed. Distributions can be used for Medicare Part-B premiums, Medicare supplemental insurance premiums, qualified long-term care premiums, and dental and vision premiums.

Trevor Vaughn made, and Cliff Haight seconded, a motion to adjourn. The motion passed unanimously.

Meeting Adjourned 10:34 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

David L. McConico
Chairperson of the Board

7/18/19
Date