

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

Held Thursday, September 15, 2022  
12100 East Iliff Avenue, Suite 108  
Aurora, CO 80014

**1) 8:00 AM - Meeting Called to Order**

**Roll Call**

Chairperson	David McConico	Excused
Legislative Members	Cliff Haight	Present
	Andrew Jamison	Present
	Michelle Reding	Excused
	Sue Sandstrom	Present
	Tom Tobiassen	Present
	Trevor Vaughn	Present
Nonvoting Members	Sheree Van Buren (for the City Manager)	Present
	Terri Velasquez (Finance)	Excused
	Ryan Lantz (Human Resources)	Present
	Hans Hernandez (City Attorney)	Present
Staff	Steven Shanks	Present
	Aaron Kahn	Present

The Board Meeting held on Thursday, September 15, 2022, was a hybrid meeting conducted via WebEx and in person at the GERP office. Sue Sandstrom chaired the meeting.

**2) Approval of the Minutes**

Cliff Haight made, and Tom Tobiassen seconded, a motion to approve the minutes of the regular meeting held on August 18, 2022. The motion passed unanimously with Cliff Haight, Andrew Jamison, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

Trevor Vaughn made, and Tom Tobiassen seconded, a motion to approve the minutes of the investment managers meeting held on August 25, 2022. The motion passed unanimously with Cliff Haight, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for. Andrew Jamison abstained.

**3) Treasurer's Report**

Steve Shanks reviewed the financial statements and investment returns for July. As of September 12, 2022, the fund was valued at approximately \$595.6 million.

**4) Review of Lump Sum Distributions for August**

Seventeen participants received lump sum payments totaling \$186,777.89.

5) **Approval of Retirement Benefits**

Aaron Kahn presented the retirement calculations. Tom Tobiassen made, and Trevor Vaughn seconded, a motion to approve retirement benefits for **Mark Latorra, Michael Martin, John Putman, and Patricia West**. The motion passed unanimously with Cliff Haight, Andrew Jamison, Sue Sandstrom, Tom Tobiassen, and Trevor Vaughn for.

6) **Public Comments**

There were no public comments.

7) **Old Business**

A) **Update on GERP Election**

Steve Shanks announced that Casey Cox has declared his candidacy for the employee elected GERP seat and has provided his profile. Andrew Jamison has indicated his intention to run for re-election. The election will be held on October 19<sup>th</sup>.

Tom Tobiassen noted that he is interested in continuing to serve on the Board. Board members thanked Tom for his service to the City of Aurora and for the expertise that he brings to the Board. Steve Shanks, in particular, thanked Tom for the help that he has provided navigating network security and information technology systems. Steve will request that the City Clerk's office provide the forms that Tom will need to fill out for re-appointment. The Board directed Steve to write a letter to City Council strongly recommending that Tom Tobiassen be reappointed to the GERP Board.

B) **Update on Actuarial Audit**

Steve Shanks has been providing data to the actuarial auditors, Foster & Foster. They will be requesting information from Milliman, as well. The actuarial audit should be completed by November.

C) **Review of Management and Finance Committee request for  
An actuarial study on effect of offering choice between GERP and a DC Plan**

Steve Shanks noted that members of the City's Management and Finance Committee have requested that Milliman provide an assessment of the cost of providing new hires with the option of participating in either GERP, or a defined contribution plan.

Sue Sandstrom had asked Steve to look for a study that was conducted by City Council in 2006, which investigated closing GERP to new hires and replacing it with a defined contribution plan. The study from 2006 found that the cost was substantial, partially due to the costs associated with reducing Plan risk, and corresponding return expectation, of a closed plan. A presentation to the Management and Finance Committee from April 2006 based on the study was found and provided to Milliman. Board members

noted that determining the cost of adding an optional defined contribution plan needs to consider selection bias, which would increase the cost of the defined benefit plan because those who choose to be in the plan may be more committed to longer service, or they may be older participants who are closer to retirement. Since contributions to the plan will be, potentially, significantly reduced, a more conservative, lower returning, asset allocation may be prudent as well.

Board members also noted that, often, new hires don't truly appreciate the value of a pension. Choosing between a defined benefit and defined contribution plan could be an incredibly life changing, irrevocable, decision.

**8) New Business**

There was no new business.

**9) Report on Education, Due Diligence, and Travel**

Steve Shanks, Trevor Vaughn, Sue Sandstrom and Terri Velasquez attended the Colorado Public Plan Coalition (CPPC) conference. Both Sue Sandstrom and Terri Velasquez sit on the CPPC Board. The conference covers a broad range of topics on both defined benefit and defined contribution plans. This year's conference had information on investments, retirement strategies, buying annuities with defined contribution assets, taxes, Social Security, and legal updates. The CPPC conference is incredibly valuable and is conveniently held in Colorado.

**10) Staff Report**

Staff sent out separate newsletters to active employees and retirees. The active newsletter announced the employee election. Steve Shanks noted that the newsletter for retirees no longer has an In Memoriam section. Staff has a concern about maintaining the privacy and security of retirees who have recently died.

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

Meeting Adjourned 8:51 AM  
Minutes Submitted by Aaron D. Kahn

Minutes Approved

*Sue Sandstrom*  
Vice-Chairperson of the Board

October 20, 2022  
Date