

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

Held Thursday, October 20, 2022
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	Excused
	Andrew Jamison	Present
	Michelle Reding	Present
	Sue Sandstrom	Excused
	Tom Tobiassen	Present
	Trevor Vaughn	Present
Nonvoting Members	Sheree Van Buren (for the City Manager)	Excused
	Jackie Ehmann (for Terri Velasquez (Finance))	Present
	Ryan Lantz (Human Resources)	Present
	Hans Hernandez (City Attorney)	Excused
Staff	Steven Shanks	Present
	Laura Steege	Present

The Board Meeting held on Thursday, October 20, 2022, was a hybrid meeting conducted via WebEx and in person at the GERP office.

2) Approval of the Minutes

Tom Tobiassen made, and Trevor Vaughn seconded, a motion to approve the minutes of the regular meeting held on September 15, 2022. The motion passed with Andrew Jamison, Tom Tobiassen, and Trevor Vaughn for. Michelle Reding and David McConico abstained.

3) Treasurer's Report

Steve Shanks reviewed the financial statements and investment performance for August. As of October 14, 2022, the fund was valued at approximately \$551.9 million.

4) Review of Lump Sum Distributions for September

Thirty-four participants received lump sum payments totaling \$301,211.88.

5) Approval of Retirement Benefits

Steve Shanks presented the retirement calculations. Michelle Reding made, and Trevor Vaughn seconded, a motion to approve retirement benefits for **Thomas Allacher, Deborah Burns, Karen Hancock, Coral Pasquale, Denise Schworm, Steven Sciba, Jean Sertich, and Jeffrey Vasquez**. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Tom Tobiassen, and Trevor Vaughn for.

6) New Business

A) Cost of Living Adjustments for January 1, 2023

Steven Shanks presented the calculation of the cost-of-living adjustment for the Regular Benefit for Tier 1 participants which is based on the CPI-W. The CPI-W this year is 8.74%, however Aurora City Code limits GERP cost of living adjustments to 5%.

Board members discussed the discretionary cost of living increases for the Tier 2 Regular Benefit. The Board reviewed how a Tier 2 increase impacts the Plan's actuarial projections, and Michelle Reding noted that if the Board routinely gives Tier 2 increases, the actuaries will want to include them in future projections.

Michelle Reding made, and Trevor Vaughn seconded, a motion to increase both the Tier 1 and Tier 2 Regular Benefits by 5% as of January 1, 2023. The motion passed with Andrew Jamison, David McConico, Michelle Reding, Tom Tobiassen, and Trevor Vaughn for.

The Board opted not to change the Supplemental Benefit.

B) Discussion of the Process for Distribution of Pension Plan Administrator Review Packet

Steve Shanks will be sending his part of the Pension Plan Administrators Review Packet to Trevor Vaughn for distribution to the Personnel Committee by November 1. Steve noted that NCPERS recently conducted a staff compensation study specifically for pension plans and said that he would send the survey link to the members of the Personnel Committee.

C) Discussion on having a notary on staff

Steve Shanks said that Cliff Haight had suggested having someone in the GERP office obtain Notary Public credentials to make retirement paperwork easier for participants. Steve explained that there are one to two forms that require notarization, and that sometimes the notary doesn't fill out their section correctly, causing retirees to have to return multiple times. Steve asked Hans Hernandez if he saw any risk to the Plan in having a staff member be a notary, and Hans said that he did not see any risk. Steve stated that in order to maintain internal controls, it would be best if someone besides the Benefit Administrator fills that role. Members agreed that having a notary in the office would increase efficiency of the process and convenience for our participants.

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Tom Tobiassen made, and Andrew Jamison seconded a motion to approve establishing a notary in the office. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Tom Tobiassen, and Trevor Vaughn for.

D) Election Results

Steve Shanks announced that Andrew Jamison was re-elected for a 3-year term. The Board congratulated Andrew, who said that he looked forward to another term on the Board. Molly Barrett from the Election Commission reviewed and certified the results and election procedures.

E) Amendments to HarbourVest Funds

Steve Shanks presented a proposed amendment to the Limited Partnership Agreement that we have with HarbourVest regarding follow-on investments. The amendment proposes that as a fund is getting ready to close out, General Partners may want to hold some investments that are doing well, and this amendment would allow other HarbourVest funds that we currently hold the ability to invest in those favored investments. The General Partners would have to competitively bid on and buy the investments, which would prevent the General Partners from obtaining the investments at a discount, impacting the fund that is being closed. Callan did not see any downside and said that this is a growing trend.

Tom Tobiassen made, and Andrew Jamison seconded, a motion to approve the proposed amendment. The motion passed unanimously with Andrew Jamison, David McConico, Michelle Reding, Tom Tobiassen, and Trevor Vaughn for.

F) Extension of Molpus Woodlands Fund III

Molpus Woodlands Fund III has elected to exercise the second of its two-year term extension options. The term of the Molpus Woodlands Fund IIIs will now expire on December 22, 2024. This extension was in the contract and does not require a vote or any action from the Board.

Public Comments

Steve noted that we received questions about the 5% cap from retirees. Trevor Vaughn suggested that we add an explanation of the 5% cap on the COLA letters and staff agreed.

7) Old Business

There was no old business.

9) Report on Travel

David McConico attended the Cohen and Steers' Annual Meeting. They shared information about the current state of REITs in comparison with private market real estate and indicated that REITs precede the private market. Cohen and Steers presenters shared that Infrastructure investing is holding up better than

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other asset classes, and commodities are hanging in there. One of David's takeaways related to the importance of following an investment policy, and re-balancing when necessary. An Illinois plan escaped much of the downturn because they followed their investment policy and rebalanced just in time to avoid worse losses. David said that GERP is a long-term investor, and has an investment policy that has proven to be good, so GERP just needs to stick to the plan and rebalance as appropriate.

10) Staff Report

Staff is currently planning the Holiday Reception for the retirees. The reception is not able to be held in the rotunda of the Courthouse, but Laura has booked the lobby of the AMC. The invites for the dinner will go out to retirees with their COLA letters in November.

Tom Tobiassen asked about the status of IT Guru's implementation of security measures, and Steve said that they had ordered the hardware components and that he would follow up with them.

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

Meeting Adjourned 9:15 AM
Minutes Submitted by Laura Steege

Minutes Approved

David L. McConico
Chairperson of the Board

November 17, 2022
Date