

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

Held Thursday, June 15, 2017
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
	Joe McCleary	Excused
	Michelle Reding	Excused
	Sue Sandstrom	Present
	Trevor Vaughn	Present
Nonvoting Members	Janice Napper (for Skip Noe, City Manager)	Excused
	Jackie Ehmann (for Terri Velasquez, Finance)	Present
	Dan Quillen (Human Resources)	Present
	Dan Brotzman (City Attorney)	Present
Staff	Thomas Connell	Present
	Aaron Kahn	Present

2) Approval of the Minutes

Trevor Vaughn moved and Helen DiBartolomeo seconded a motion to approve the minutes of the regular meeting held on May 18, 2017 and the investment manager meeting held on May 25, 2017. The Board approved the minutes of the May 18, 2017 meeting unanimously with Helen DiBartolomeo and Cliff Haight abstaining. The May 25, 2017 meeting did not have a quorum.

3) Treasurer's Report

Tom Connell reviewed the financial statements and investment performance for April 2017. As of June 13, 2017, the fund was valued at approximately \$447.0 million.

4) Review of Lump Sum Distributions for May

Sixteen participants received lump sum payments totaling \$197,722.69

5) Approval of Retirement Benefits

Aaron Kahn presented the retirement calculations. Sue Sandstrom moved and Trevor Vaughn seconded a motion to approve retirement benefits for **Dale A. Brown, Michael P. Byrne, Paula M. Ison, Carol J. Niehoff, and Tammy J. Painter**. The motion passed unanimously.

6) Old Business

There was no old business.

Public Comments

There were no public comments.

7) New Business

A) Proposal to Increase Fiduciary Liability Coverage Limit

Tom discussed Arthur Gallagher's coverage increase recommendations and proposed premiums for the September 1 renewals. Tom has asked Mary Brauer to provide her input as to appropriate amounts for fiduciary liability protection. Dan Brotzman suggested that GERP's agent provide a plain language summary of what is and isn't covered. Other Board members requested clarification on overlaps in the various policies.

Tom and Dan Brotzman will meet with the agent to get answers to these questions.

B) Participant Concerns - Cliff Haight

Cliff Haight brought up two items that participants have discussed with him. The first had to do with the information about GERP that was provided to new employees. A new participant told Cliff that he had very limited knowledge about the pension plan. Cliff felt that more information about GERP should be offered at new employee orientation. Tom responded that GERP staff had been explaining the plan at orientation up until 2015 when that responsibility was assumed by Human Resources personnel. GERP staff has been very willing to participate in any benefit education session arranged by the City, but there has been only one opportunity to do so in the past two years.

Cliff was also concerned about a recent presentation by Human Resources that suggested the City would be relying more on bonuses, rather than salary raises, to increase employee compensation. He pointed out that bonuses do not count in GERP's pension calculation. Dan Quillen assured Cliff that regular annual salary increases will continue and that the bonuses are only for high performing employees.

8) Report on Travel

Tom attended Heitman's annual client meeting in Chicago. Heitman's property tour included two "creative office" conversions. Regarding weakness in the retail sector, panelists suggested that while E-commerce has had a negative impact for some tenants, others are successfully adapting to the challenge. The self storage sector has become more competitive as greater supply has come online. Heitman remains overweighted to self storage but believes that future returns will be lower. Former Federal Reserve Governor Kevin Warsh discussed his economic outlook at the conclusion of the meeting.

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David McConico attended the NCPERS conference in Hollywood, Florida. The conference covered fiduciary training and certification, cyber security, alternative investments and plan participant education. David appreciated a talk that highlighted that pensions improve and stabilize the economy overall.

Helen DiBartolomeo attended HarbourVest's 2017 annual investor meeting. Private equity clients from around the world participated. Helen noted that there was a lot of discussion about political and economic risks, and she was entertained by one of the main speakers, Lord William Hague.

9) Staff Report

Tom reported that all participant benefit statements have been sent out. Unfortunately, GERP's color printer required extensive maintenance before the statements could be produced.

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

Meeting Adjourned 9:33 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

David L. McConico
Chairperson of the Board

7/20/2017
Date