

**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
April 20, 2017**

B

The meeting was called to order by Jeremy Flack, Board Chairperson, at 8:46 a.m.

ROLL CALL

Members Present: Clark, Crawford, DiGiovanni, Flack, Hastie, Lynch, Monroe, Nerdrum
Members Absent: Heusel
Staff Present: Hammond, Gustafson, Kluczynski, Orcutt
Others: Michael VanOverbeke, Legal Counsel

AUDIENCE COMMENTS - None

A. APPROVAL OF AGENDA

It was **moved** by DiGiovanni and **seconded** by Clark to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 March 16, 2017 Regular Board Meeting

It was **moved** by Crawford and **seconded** by Monroe to approve the March 16, 2017 Regular Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA - None

D. ACTION ITEMS

D-1 Proposed FY 2017-2018 Expenditure Budget

Ms. Orcutt presented and reviewed the proposed expenditure budget for fiscal year 2017-2018. After a brief discussion, the Board decided to approve the budget as presented.

It was **moved** by Nerdrum and **seconded** by DiGiovanni to approve the FY 2017-2018 Expenditure Budget as presented.
Approved

D-2 Dual Plan Update & Administrative Services Agreement

Ms. Orcutt updated the Board on information from recent meetings with Finance and H.R., and the Board discussed potential RFPs in the future, Meketa's involvement with reviewing the DC investment funds, and fiduciary training for Board members. Mr. VanOverbeke explained the structure of the Dual Plan, differences between the DC (401a) plan and the ICMA 457 plan, as well as administration expenses and how the funds could potentially be reimbursed to the System from both the ICMA administrative allowance and by the City through contributions. After discussing the fiduciary training recommendations, it was decided to have ICMA attend the May 18th Board meeting to begin the training process.

It was **moved** by Nerdrum and **seconded** by Monroe to approve fiduciary training to the Board of Trustees by ICMA representatives, beginning in May 2017.
Approved

It was **moved** by Nerdrum and **seconded** by Hastie to approve the Administrative Services Agreement between ICMA Retirement Corporation and the Board of Trustees of the City of Ann Arbor Employees' Retirement System as presented.
Approved

E. **DISCUSSION ITEMS - None**

F. **REPORTS**

F-1 **Executive Report – April 20, 2017**

SVB CAPITAL CALLS

SVB Fund VIII requested a capital call of our commitment to the Funds in the amount of **\$ 400,000** for the Retirement Plan and **\$ 100,000** for the VEBA on March 27, 2017 for the purpose of funding current commitments. After these installments, AAERS will have funded approximately 8% of total commitments of \$8,000,000 for the Retirement Plan and \$2,000,000 for the VEBA.

SUMMIT PARTNERS

Summit Partners issued a recallable refund of capital in the amount of **\$238,921** for the Retirement System and **\$59,731** for the VEBA from the Credit Fund II on 3/31/17.

DRA DISTRIBUTIONS

DRA issued a recallable refund of capital in the amount of **\$40,403** for the Retirement System and **\$11,883** for the VEBA from the Growth and Income Fund VIII on 3/22/17.

DRA issued a recallable refund of capital in the amount of **\$ 74,833** for the Retirement System and **\$22,010** for the VEBA as well as a gain in the amount of **\$ 20,777** and **\$6,121** respectively, from the Growth and Income Fund VIII on 4/7/17.

DRA issued a recallable refund of capital in the amount of **\$98,937** for the Retirement System and **\$29,098** for the VEBA from the Growth and Income Fund IX on 3/13/17.

DRA issued a recallable refund of capital in the amount of **\$43,333** for the Retirement System and **\$12,745** for the VEBA from the Growth and Income Fund IX on 4/13/17.

STAFF OPERATIONS

The Pension Analyst conducted 10 pre-sessions, completed 20 estimates, 9 final calculations and processed 3 deaths and 3 terminations.

Dan Gustafson passed the second module of the Certified Employee Benefits Specialist (CEBS) program that was approved by the Board on 11/8/16.

Wendy Orcutt and Corbin Hammond will meet with Finance and the new Auditors on April 18 for an introduction and discussion on first year audit procedures.

Corbin Hammond and Lora Kluczynski completed the research for the Service Credit Audit at City Hall on April 10. Staff will audit the findings and adjust employee records as necessary.

OTHER

Jason Gold – Verbal Coordination Update.

F-2 **City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended March 31, 2017**

Corbin Hammond, Accountant, submitted the Financial Report for the month ended March 31, 2017 to the Board of Trustees:

3/31/2017 Asset Value (Preliminary)	\$485,517,157
2/28/2017 Asset Value (Audited by Northern)	\$484,880,439
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$19,269,202
Percent Gain <Loss>	4.1%
April 19, 2017 Asset Value	\$480,011,535

F-3 Investment Policy Committee Minutes – No Report

F-4 Administrative Policy Committee Minutes – April 11, 2017

Following are the Administrative Policy Committee minutes from the meeting convened at 4:06 p.m. on April 11, 2017:

Committee Members Present: Lynch, Monroe
Members Absent: Heusel
Other Trustees Present: Crawford
Staff Present: Kluczynski, Orcutt
Others Present: Jason Ashline, ICMA-RC
Rola Ismail, ICMA-RC

DUAL PLAN DISCUSSION WITH JASON ASHLINE & ROLA ISMAIL OF ICMA-RC

Mr. Ashline and Ms. Ismail from ICMA-RC were present to discuss the Dual Plan transition, and stated that the Administrative Services Agreement has been drafted and is ready for the Board’s review and execution. It was decided that the Agreement be placed on the upcoming April 20th Board meeting agenda for review and approval. The Committee discussed fiduciary responsibilities of the Trustees and Meketa’s potential involvement in reviewing the various investment options and creating a DC Plan Investment Policy Statement. Ms. Orcutt had provided a Dual Plan Transition Checklist as requested during the recent Board Retreat, which was reviewed by the Committee.

A lengthy discussion ensued regarding the scheduling of Trustee training modules, which could be customized by ICMA to last anywhere from 2-3 hours up to an entire day. It was decided that along with the Services Agreement, the April Board meeting agenda should include the following discussion topics: Fiduciary Training for Trustees, Meketa’s Involvement, and Board Review of the Transition Checklist. Mr. Ashline stated that he is available to attend the Board meeting on April 20th to answer any questions the Board members may have. Mr. Ashline and Ms. Ismail departed at this time.

ADMINISTRATION UPDATES

Management Assistant Position: Ms. Orcutt stated that H.R. has posted the Management Assistant position on the City’s website, and she has not received further communications from Trevor regarding potential applicants at this time. Ms. Orcutt stated that it does not appear that the position has been posted on the MAPERS and MML websites as of yet, but she has sent an email to H.R. regarding this.

Assistance with Fiscal Year-End Processing: Ms. Orcutt stated it would be very beneficial for Staff to receive assistance from Ms. Jarskey (who retired in January) on the upcoming fiscal year-end processing since both she and Mr. Hammond are newer to the System, and this type of training can only be done at this point in the calendar year. Ms. Orcutt stated that she has spoken with Ms. Jarskey and she has agreed to assist with training, so Ms. Orcutt requested the Committee’s recommendation on how to proceed with this process. It was agreed that it would be beneficial for Ms. Jarskey to assist with the training process, and that it should be further

discussed at the Board level in May to decide on a pay rate and consulting agreement since Mr. VanOverbeke would also be present at that meeting.

ADJOURNMENT

It was ***moved*** by Crawford and ***seconded*** by Monroe to adjourn the meeting at 5:24 p.m.
Meeting adjourned at 5:24 p.m.

F-5 Audit Committee Minutes – No Report

F-6 Legal Report

Mr. VanOverbeke provided a verbal report on the Governor’s Task Force meetings in Lansing.

G. INFORMATION (Received & Filed)

G-1 Communications Memorandum

G-2 May Planning Calendar

G-3 Record of Paid Invoices

The following invoices have been paid since the last Board meeting:

	PAYEE	AMOUNT	DESCRIPTION
1	Meketa Investment Group	10,000.00	Investment Consultant Retainer – February 2017
2	Comcast	81.29	Monthly Cable Fee - February
3	Culligan of Ann Arbor/Detroit	31.74	Water service – March 2017
4	City of Ann Arbor Treasurer	184.59	ITSU Service Charge (K. Spade) for January 2017
5	Buck Consultants	1,599.12	Monthly hosting fees for February 2017
6	Midwest Maintenance Services, Inc.	175.00	Office cleaning services for February 2017
7	DTE Energy	112.14	Monthly Gas Fee dated March 10, 2017
8	DTE Energy	168.25	Monthly Electric Fee dated March 10, 2017
9	Dan Gustafson	705.00	Reimbursement for CEBS Study Materials (2 nd phase)
10	GFOA	100.00	GFOA Application Deposit (Hammond)
11	MAPERS (Orcutt)	50.00	Registration - 2017 Spring MAPERS (\$250 credit on file)
12	MAPERS (Lynch)	300.00	Registration for 2017 Spring MAPERS
13	Midwest Maintenance Services, Inc.	175.00	Office cleaning services for March 2017
14	AT&T	544.43	Monthly telephone service
15	Afternoon Delight	159.00	2017 Annual Board Retreat – 3/24/2017
16	Dollar Bill Copying	1,692.31	2017 Annual Member Newsletters – printing/ mailing
17	MAPERS (Flack)	300.00	Registration for 2017 Spring MAPERS
18	Hasselbring-Clark Co.	59.79	Monthly copier cost per copy
19	Comcast	90.79	Monthly Cable Fee - March
20	Meketa Investment Group	10,000.00	Investment Consultant Retainer – March 2017
	TOTAL	26,528.45	

G-4 Retirement Report

Retirement paperwork has been submitted by the following employee(s):

Name	Type of Retirement	Effective Date	Group	Years of Service	Service Area
Amy Brow	Age & Service	May 5, 2017	Fire	25 years, 3 months	Safety Services Fire Department
Terry Clark	Age & Service	May 5, 2017	General	25 years	Public Services Field Operations
Randy Goldhardt	Age & Service	May 6, 2017	General	26 years, 1 month	Public Services Project Management
Thomas Hickey	Age & Service	April 28, 2017	Police	25 years	Safety Services Police Department
Lea Strickfaden	Age & Service	May 13, 2017	Fire	25 years, 3 months	Safety Services Fire Department
Christopher Wooley	Age & Service	April 28, 2017	Police	25 years	Safety Services Police Department

G-5 Analysis of Page Views on City Intranet / Retirement System Page

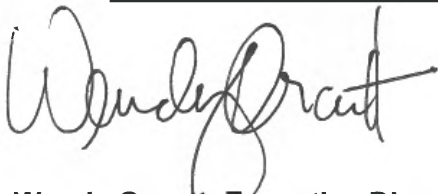
G-6 March 24, 2017 Board Retreat Notes & Board Feedback

H. TRUSTEE COMMENTS / SUGGESTIONS

Mr. VanOverbeke confirmed that Mr. Clark will still be able to serve out his current term on the Board after his retirement date per the recent Ordinance amendments.

I. ADJOURNMENT

It was **moved** by Nerdrum and **seconded** by Clark to adjourn the meeting at 10:04 a.m.
Meeting adjourned at 10:04 a.m.



**Wendy Orcutt, Executive Director
City of Ann Arbor Employees' Retirement System**