

**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
April 22, 2022**

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 8:38 a.m.

ROLL CALL

Members Present: Flack, Grimes, Hastie, Lynch, Monroe, Nerdrum, Praschan, Schreier
Members Absent: DiGiovanni, Nerdrum
Staff Present: Buffone, Gustafson, Hollabaugh, Orcutt
Others: Michael VanOverbeke, Legal Counsel
Ray Fortin, MissionSquare
Jim Anderson, GRS
Henry Jaung, Meketa
Keith Beaudoin, Meketa

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Monroe and **seconded** by Hastie to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 March 17, 2022 Regular Board Meeting

It was **moved** by Monroe and **seconded** by Hastie to approve the March 17, 2022 Regular Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA

C-1 Reciprocal Retirement Act – Service Credit

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Board of Trustees acknowledges that, effective July 14, 1969, the City of Ann Arbor adopted the Reciprocal Retirement Act, Public Act 88 of 1961, as amended, to provide for the preservation and continuity of retirement system service credit for public employees who transfer their employment between units of government, and

WHEREAS, the Board acknowledges that a member may use service credit with another governmental unit to meet the eligibility service requirements of the Retirement System, upon satisfaction of the conditions set forth in the Reciprocal Retirement Act, and

WHEREAS, the Board is in receipt of requests to have service credit acquired in other governmental unit retirement systems recognized for purposes of receiving benefits from the Retirement System, therefore be it

RESOLVED, that the Board of Trustees hereby certifies that the following member(s) of the Retirement System have submitted the requisite documentation for the recognition of reciprocal retirement credit:

Name	Classification	Plan	Reciprocal Service Credit	Prior Reciprocal Retirement Unit
Andrew Janette	Safety Services	Traditional	13 Years, 9.5 Months	City of Detroit

RESOLVED, that the Board of Trustees notes that pursuant to the Reciprocal Retirement Act, said reciprocal retirement credit may only be used for purposes of meeting the retirement eligibility requirements of the Retirement System and that retirement benefits will be based upon actual service rendered to the City and shall be made payable consistent with the City Charter, applicable collective bargaining agreements, Retirement System policies/procedures, and applicable laws (specifically, MCL Public Act 88 of 1961, as amended), and further

RESOLVED, that a copy of this resolution shall be provided to the appropriate City and Union representatives and interested parties.

It was **moved** by Monroe and **seconded** by Hastie to approve the consent agenda as presented.

Approved

D. ACTION ITEMS - None

E. DISCUSSION ITEMS

E-1 June Board Meeting Availability

Ms. Orcutt informed the Board that RFP interviews are scheduled to take place at the June Board meeting however some Trustees will not be available. The Board discussed rescheduling the Board meeting. The Board will check schedules and get back with Staff to set a date.

F. REPORTS

F-1 Executive Report – April 22, 2022

DRA CAPITAL CALLS AND DISTRIBUTIONS

DRA requested a capital call of our commitment to the Growth and Income Fund X in the amount of **\$347,368** for the Retirement Plan and **\$231,579** for the VEBA on 3/29/22 for the purpose of funding current commitments.

DRA issued a distribution from the Growth and Income Fund VIII on 3/23/22 in the amount of **\$63,730** for the Retirement System and **\$18,744** for the VEBA consisting of a gain on sale and return of capital(unrecallable).

DRA issued a distribution from the Growth and Income Fund IX on 4/7/22 in the amount of **\$227,094** for the Retirement System and **\$66,793** for the VEBA consisting of dividends, refinancing proceeds and return of capital(unrecallable).

CARLYLE CAPITAL CALLS

Carlyle requested a capital call of our commitment to the Carlyle Realty Fund VIII in the amount of **\$ 189,571** for the Retirement₂ System and **\$ 47,394** for the VEBA on

4/13/22 for the purpose of investment funding, fees and expenses netted against a distribution.

AEW CAPITAL CALLS

AEW requested a capital call of our commitment to the AEW Core Property L.P. in the amount of \$ **14,000,000** for the Retirement System and \$ **6,000,000** for the VEBA on 4/18/22.

CONSTITUTION CAPITAL DISTRIBUTION

Ironsides Partnership Fund III issued a distribution in the amount of \$ **369,269** for the Retirement System on 3/31/22 comprised of gains on sales netted against a call for investments.

SUMMIT PARTNERS DISTRIBUTIONS

Summit Partners Credit Fund III, L.P. issued a distribution in the amount of \$**1,233,574** for the Retirement System and \$**342,710** for the VEBA on 3/31/22.

SVB DISTRIBUTION

SVB Fund VIII issue a distribution in the amount of \$**312,000** for the System and \$**78,000** for the VEBA on 3/16/22 consisting of gains on sales and return of capital.

J.P. MORGAN CAPITAL CALLS

J.P. Morgan requested a capital call of our commitment to the Infrastructure Investments Fund "IIF" in the amount of \$**15,000,000** for the ERS and \$**3,000,000** for the VEBA on 4/1/22 for the purpose of funding current commitments. These amounts were funded with a redemption of IR+M (TIPS). Total commitment amounts are \$29 million and \$ 3 million, respectively.

BLACKROCK CAPITAL CALLS

BlackRock Global Renewable Power Infrastructure Fund III requested a capital call for investments and expenses in the amount of \$ **414,363** for the Retirement Plan and \$**155,386** for the VEBA on 4/22/22. Total commitments to this fund are \$8,000,000 for the Retirement Plan and \$3,000,000 for the VEBA.

DC PLANS RECORDKEEPER SEARCH CONSULTANT/INVESTMENT ADVISORY SERVICES RFP UPDATE

The initial RFP response summary grid was reviewed by APC at the April 12 meeting. Four firms were eliminated from further consideration for various reasons. APC and Staff will continue the review process and finalists for interviews will be selected in May.

PENSION ADMINISTRATION SOFTWARE CONVERSION

Notice was sent via email and certified mail on 3/31/2022 to terminate the Software License and Services Agreement between Buck and the Board effective January 1, 2023.

Staff continues to meet weekly with Milliman. Please see the attached Implementation Timeline for an update on the conversion.

AUDITING SERVICES RFP ISSUED BY CITY

The former auditors Yeo & Yeo elected not to accept the two-year extension offered by the City so an RFP was issued. Maria and ED will participate as reviewers for the Auditing Services RFP which will need to make it to Council for approval in time for FYE. Bids are expected on April 19 with interviews and a final decision by the middle of May.

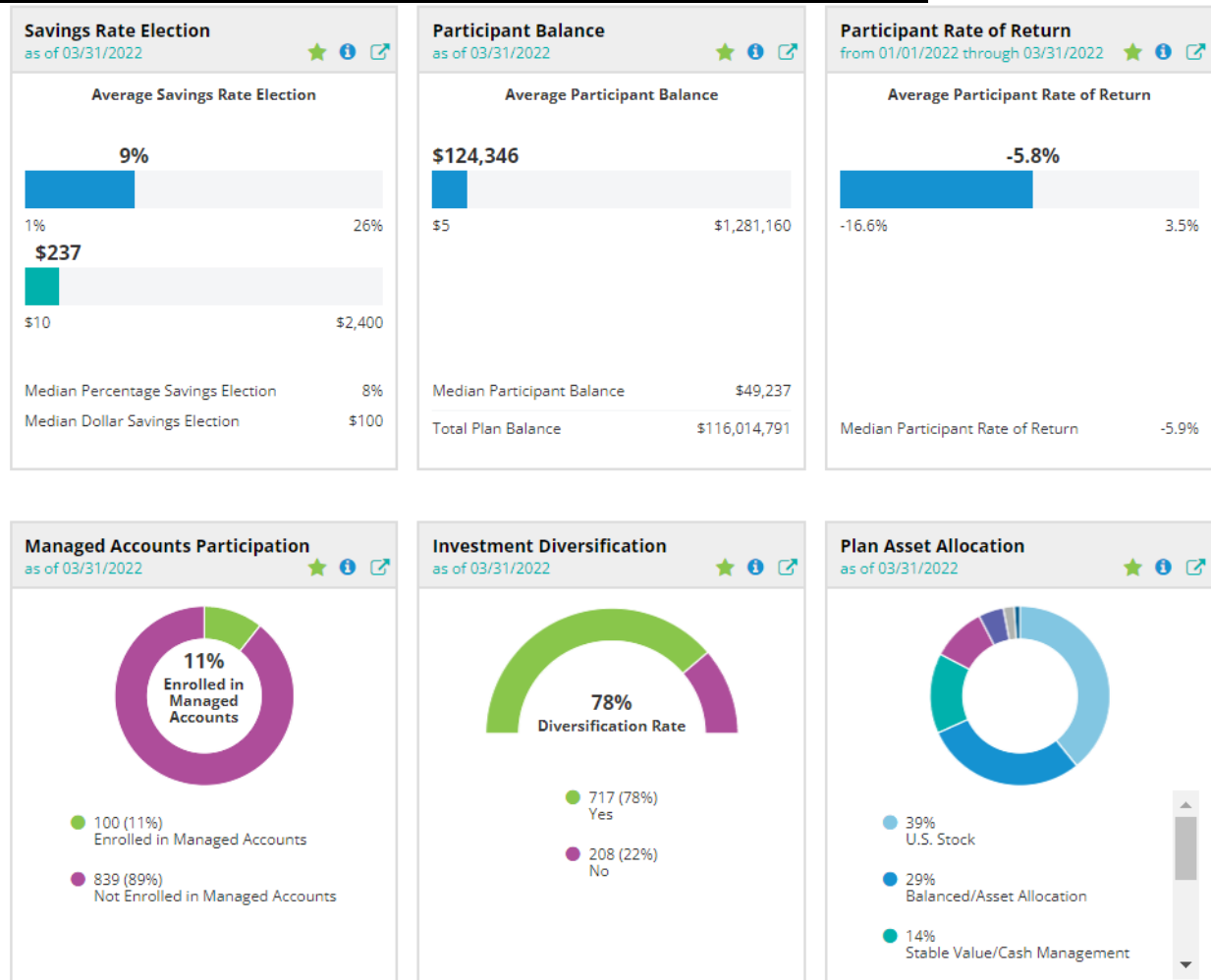
STAFF OPERATIONS/UPDATE

The Pension Analyst processed 19 estimates, 2 non-vested calculations, 3 deferred calculations, 3 payouts, 10 final calculations, 5 deceased calcs and 2 pre sessions.

Dan also conducted 2 microfiche audits for 2 AAPOA leave reviews.

F-2 Executive Report – MissionSquare (ICMA) Update

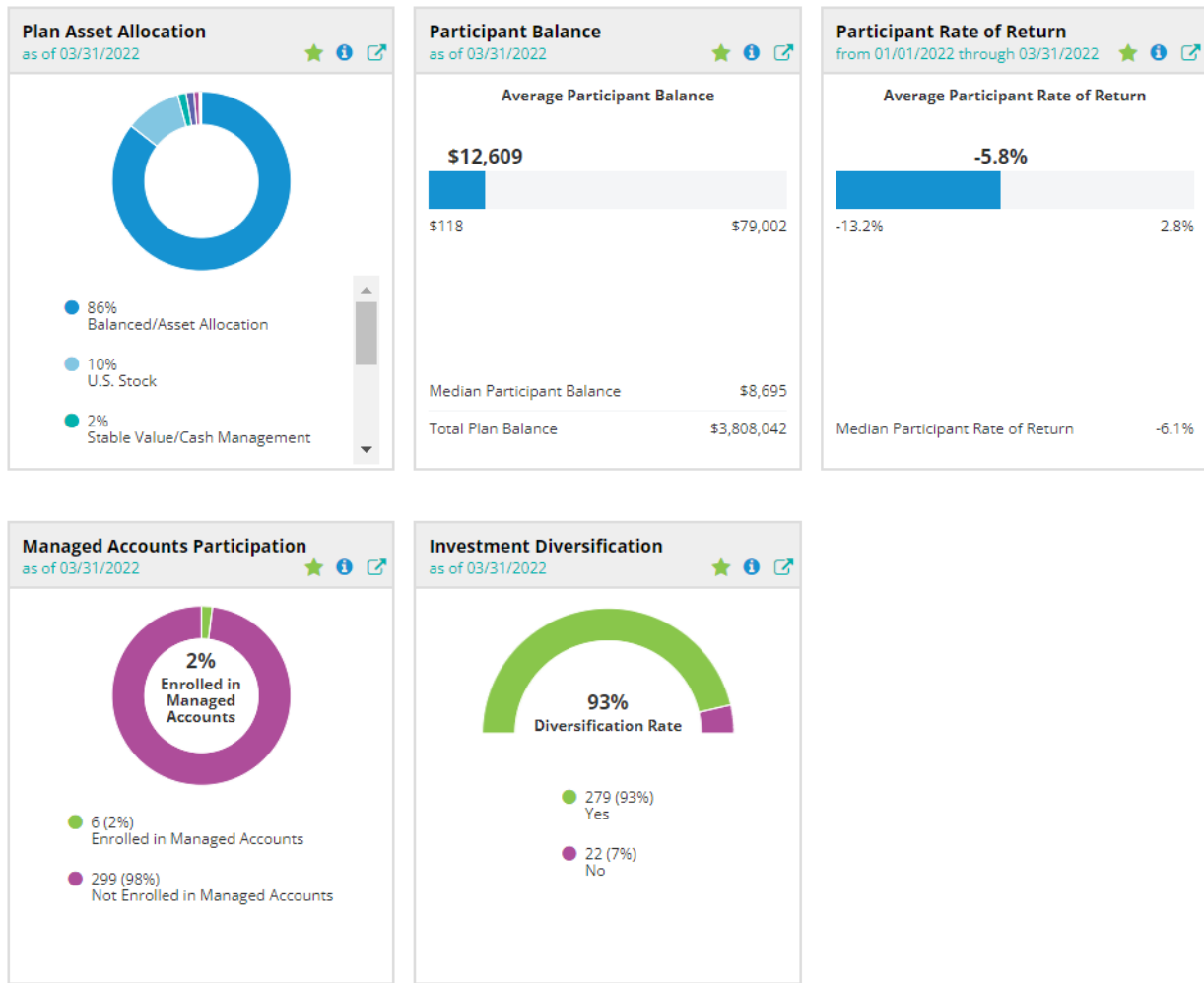
457 Balance at 4/12/22 - \$ 113,344,000 – Statistics as of 3/31/22



Current Items/Education:

Dan Stewart will be onsite April 26-28 for individual appointments and 2 webinars. The topics are “Investing During Market Volatility” and also “How Your Retirement Plans Work Together”. The latter is a presentation that was customized highlighting details on the 401 and 457 Plans.

401 Balance at 4/12/22 – \$ 3,767,000 - Statistics as of 3/31/22



401 Forfeiture Balance @ 3/31/2022 = \$45,593

F-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended March 31, 2022

Maria Buffone, Accountant, submitted the Financial Report for the month ended March 31, 2022 to the Board of Trustees:

3/31/2022 Asset Value (Preliminary)	\$626,796,757
2/28/2022 Asset Value (Audited by Northern)	\$621,819,834
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	(\$22,876,231)
Percent Gain <Loss>	-3.5%
April 21, 2022 Asset Value	\$613,885,315

F-4 Investment Policy Committee Minutes – None

F-5 Administrative Policy Committee Minutes – April 12, 2022

Following are the Administrative Policy Committee minutes from the meeting convened at 3:05 p.m. on April 12, 2022:

Committee Members Present: Lynch, Monroe, Praschan, Schreier
 Members Absent: None 5

Other Trustees Present: Grimes(Via TX)
Staff Present: Buffone, Gustafson(Via TX), Hollabaugh, Orcutt(Via TX)
Others Present: None

MISSIONSQUARE ITEMS

Draft Forfeiture Policy: The Committee reviewed the draft. The Committee had some questions regarding the administrative expenses and if they are assessed in the future what effect that may have on Dual Plan member benefits. Ms. Orcutt will follow up with legal to get clarification on some of the language.

Admin Expenses Payment Source: The Committee discussed the potential sources for payment of DC plan expenses should the administrative allowance and forfeitures not be sufficient to cover all expenses. APC will also discuss further at the Board Retreat with legal and MissionSquare.

RFP UPDATE

Review Preliminary Grid: Staff provided a summary grid for the RFP submissions. The Committee reviewed and discussed the firms, ultimately deciding to remove four firms from consideration. The Committee will review the remaining responses further and select which firms to interview at the next APC meeting.

Upcoming meeting schedules/interviews: The timing of finalist interviews will be discussed with the Board but will not occur prior to June.

Draft Reference Questions: Staff provided a draft of reference questions to be sent to the firms. APC reviewed and agreed to have the reference questions sent out to the remaining firms before the May APC meeting.

DRAFT COMPUTER USE POLICY

Legal provided a draft computer policy. APC reviewed and agreed that it was useful policy. The Committee will table the policy until a decision has been made whether a computer is necessary.

Mr. Monroe questioned reimbursement of monthly travel expenses such as mileage to attend meetings. Ms. Orcutt will follow up with legal.

2022 W2 ERROR NOTIFICATION FROM HR

Mr. Orcutt informed the Committee of a recent W2 error notification from Human Resources that has now been resolved.

ADJOURNMENT

It was ***moved*** by Schreier and ***seconded*** by Lynch to adjourn the meeting at 4:19 p.m.
Meeting adjourned at 4:19 p.m.

F-6 **Audit Committee Minutes** – None

F-7 **Legal Report** – None

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.

	<u>PAYEE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
1	DTE	\$129.02	Electric Service 2/11/2022-3/11/2022
2	DTE	\$116.51	Gas Service 2/11/2022 - 3/11/2022
3	Erin Connor	\$109.98	Buy Back Adjustment Reimbursement
4	Dan Gustafson	\$82.25	MAPERS 1-Day Travel Reimbursement
5	Milliman	\$2,250.00	MARC Implementation Fee 3/2022
6	Oxford	\$456.00	Condo Association Fee 4/2022
7	Allstar Alarm	\$156.00	Fire Alarm Monitoring 5/1/2022 - 7/31/2022
8	American Express	\$428.85	LEI Renewal, Office Cleaning & Water Service
9	Applied Imaging	\$38.33	Printing Service 3/2022
10	City of Ann Arbor Treasurer	\$1,116.88	IT K.Spade's Time 1/24/2022-3/16/2022
11	Meketa	\$10,000.00	Investment Consulting Services 3/2022
12	Staples	\$133.51	Miscellaneous Office Supplies
	Total	\$15,017.33	

G-4 Retirement Report

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

Name	Retirement Type	Effective Retirement Date	Group	Union	Years of Service	Department/Service Area
Richard Miller	Age & Service	April 10, 2022	General	AFSCME	22 Years, 1.5 Months	Public Services
Patrick Chase	Age & Service	July 10, 2022	General	NON UNION	5 Years	15th District Court

G-5 Analysis of Page Views on Retirement System Website

H. TRUSTEE COMMENTS / SUGGESTIONS

I. ADJOURNMENT

It was **moved** by Monroe and **seconded** by Hastie to adjourn the meeting at 8:48 a.m.
Meeting adjourned at 8:48 a.m.

Wendy Orcutt

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