

**City of Ann Arbor Employees' Retirement System  
Minutes for the Regular Meeting  
March 22, 2019**



The meeting was called to order by Alexa Nerdrum, Vice Chairperson, at 8:44 a.m.

**ROLL CALL**

Members Present: Crawford (8:50 arrival), DiGiovanni, Hastie, Lynch, Monroe, Nerdrum (Via TX 9:00 a.m.), Peariso, Schreier  
Members Absent: Flack  
Staff Present: Gustafson, Hollabaugh, Hammond, Orcutt  
Others: Michael VanOverbeke, Legal Counsel  
Henry Jaung, Meketa Investment Group  
Keith Beaudoin, Meketa Investment Group  
John Harris, Meketa Investment Group  
Jim Anderson, GRS  
Rich Koch, GRS  
Francois Pieterse, GRS

**AUDIENCE COMMENTS**

**A. APPROVAL OF AGENDA**

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

**B. APPROVAL OF MINUTES**

**B February 21, 2019 Regular Board Meeting**

It was **moved** by Hastie and **seconded** by Monroe to approve the February 21, 2019 Regular Board Meeting minutes.  
**Approved**

**C. CONSENT AGENDA - None**

**D. ACTIONS ITEMS**

**D-1 2019 Annual Members Newsletter**

Ms. Orcutt presented the 2019 Annual Newsletter to the Board. No revisions or changes were made. The Retiree Luncheon was briefly discussed, noting that the location has changed to Weber's this year.

It was **moved** by Hastie and **seconded** by Monroe to approve the 2019 Annual Members Newsletter as presented.  
**Approved**

**E. DISCUSSION ITEMS**

**E-1 2019 Spring MAPERS Conference – May 18-21, Shanty Creek Resort**

Ms. Orcutt reminded the Board of the upcoming MAPERS Conference. Ms. Orcutt requested that any Board Members interested in attending should notify the Retirement Office.

## **F. REPORTS**

### **F-1 Executive Report – March 22, 2019**

#### **SUMMIT PARTNERS**

Summit Partners Credit Fund III, L.P. requested a capital call in the amount of **\$ 1,446,156** for the Retirement System and **\$ 401,710** for the VEBA on 3/8/19 to fund current commitments. With this installment, the System will have funded 42% of our total commitments of \$9,000,000 for the Retirement Plan and \$2,500,000 for the VEBA.

#### **DRA CAPITAL CALLS**

DRA requested a capital call of our commitment to the Growth and Income Fund IX in the amount of **\$431,472** for the Retirement Plan and **\$126,904** for VEBA on 3/27/19 for the purpose of funding current commitments.

#### **DRA DISTRIBUTIONS**

DRA issued a distribution from the Growth and Income Fund VIII on 3/8/19 in the amount of **\$22,017** for the Retirement System and **\$6,476** for the VEBA consisting of a gain on sale and return of capital.

#### **RAISE CASH FOR BENEFITS AND EXPENSES**

The NT Russell 1000 and NT EAFE Index were utilized to raise cash in the amount of \$5,000,000 (\$2,500,000 each) for ERS effective March 1 per direction from Meketa.

#### **BENEFITS ADMINISTRATION SYSTEM UPDATE**

Buck is anticipating the rollout of the new administration software and ESS for August of 2019. Updates will be provided to the Board throughout the transition.

#### **ACTUARY UPDATE**

The contract for services with Gabriel, Roeder, Smith & Co. (GRS) has been finalized and GRS has contacted Findley to obtain the data needed to perform the liability match.

#### **ICMA-RC UPDATE**

Correspondence was sent to all participants in the self-directed brokerage on February 22 advising them of the closing of the program.

Jason Ashline will be in attendance at the April Board meeting to present a plan update. Kevin Monds, Portfolio Manager with ICMA-RC will also attend to review the Due Diligence Process, Fund Selection and Monitoring.

#### **STAFF OPERATIONS**

The Pension Analyst conducted 5 pre-sessions and processed 17 estimates.

**F-2 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended February 28, 2019**

Corbin Hammond, Accountant submitted the Financial Report for the month ended February 28, 2019 to the Board of Trustees:

2/28/2019 Asset Value (Preliminary)	\$500,532,969
1/31/2019 Asset Value (Audited by Northern)	\$494,009,294
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$29,144,536
Percent Gain <Loss>	6.1%
<b>March 21, 2019 Asset Value</b>	<b>\$505,176,408</b>

**F-3 Investment Policy Committee Minutes – None**

**F-4 Administrative Policy Committee Minutes – March 19, 2019**

*Following are the Administrative Policy Committee minutes from the meeting convened at 3:05 p.m. on March 19, 2019:*

*Committee Members Present: Lynch, Monroe, Peariso, Schreier  
Members Absent: None  
Other Trustees Present: None  
Staff Present: Gustafson, Hollabaugh, Orcutt  
Others Present: None*

**NEWSLETTER DRAFT**

*The Committee reviewed the 2019 Annual Newsletter Draft making a few minor edits. The Committee agreed that the Newsletter looked good and would bring the revised draft to the Board for approval at the March Meeting.*

**SELF-DIRECTED BROKERAGE UPDATE**

*Ms. Orcutt updated the committee on the self-directed brokerage account; the program is closed to new participants going forward since neither the Board nor the City will accept the indemnification required by ICMA. Last month, the Committee decided to have notice sent out to employees via A2 News Notes informing them that this option is no longer available. Notifications were sent via letter to current participants in the program.*

*The A2 News Notes notification has been delayed as Human Resources suggested that Union Heads be notified of the change first. The Committee further discussed the issue and decided it be best to check with legal counsel prior to sending out the notice.*

**OTHER**

*Mr. Monroe reminded the Committee that an Investment Consultant RFP was due and discussed timing of the RFP. Ms. Orcutt informed the Committee that the RFP would most likely be in the fall.*

*Ms. Orcutt informed the Committee that the Employee Handbook is in the process of being updated and will be brought to APC for review once complete.*

**ADJOURNMENT**

It was **moved** by Schreier and **seconded** by Lynch to adjourn the meeting at 3:44 p.m.  
**Meeting adjourned at 3:44 p.m.**

<b>APC Project Tracking Table</b>		
<b>Description</b>	<b>Originated</b>	<b>Status</b>
Revised Governance Policy	7/24/18	Pending
Discussion on Benefit Multiplier Associated with Employee Group Change	November 2017	Pending
Revision to Death Policy	September 2017	Pending
Attendance Policy	2014	Pending
Fiduciary Audit Recommendations & Considerations (Ennis Knupp report) - Continue to discuss priorities and next steps on implementation	October 2009	Placed back on pending list on 8-9-2016

**F-5 Audit Committee Minutes – None**

**F-6 Legal Report - None**

**G. INFORMATION (Received & Filed)**

**G-1 Communications Memorandum**

**G-2 April Planning Calendar**

**G-3 Record of Paid Invoices**

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

	<b><u>PAYEE</u></b>	<b><u>AMOUNT</u></b>	<b><u>DESCRIPTION</u></b>
1	DTE Energy	\$176.77	Electric Services 1/12/19 - 2/11/19
2	DTE Energy	\$132.18	Gas Services 1/12/19 - 2/11/19
3	Robertson Morrison Inc.	\$230.00	Quarterly Routine HVAC Maintenance Inspection
4	Applied Imaging	\$65.36	Printing Services 1/1/19-1/31/19
5	Staples	\$83.61	Miscellaneous Office Supplies
6	AT&T	\$466.79	Phone Service 1/26/19-2/25/19
7	Meketa Investment Group	\$10,000.00	Investment Consulting Fee February 2019
8	Midwest Maintenance	\$175.00	Office Cleaning Fee January 2019
9	Midwest Maintenance	\$175.00	Office Cleaning Fee February 2019
10	Culligan	\$27.49	Office Water 3/1/19 - 3/31/19
11	Culligan	\$17.49	Office Water 2/28/19
12	Findley	\$10,000.00	Actuary Services 3rd Quarter 12/31/18
	<b>Total</b>	<b>\$21,549.69</b>	

**G-4 Retirement Report**

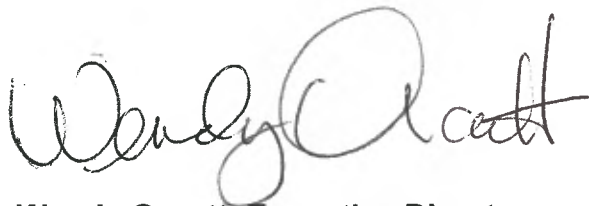
<b>Name</b>	<b>Retirement Type</b>	<b>Effective Retirement Date</b>	<b>Group</b>	<b>Years of Service</b>	<b>Department/Service Area</b>
<b>Tarita Fonville</b>	Early Age & Service	April 1, 2019	General	23 years	Public Services
<b>Richard Brewster</b>	Deferred Age & Service	February 11, 2016	General	3 years, 5 months	Community Services
<b>Pasquale Iannelli</b>	Deferred Age & Service	March 8, 2019	General	5 years	Public Services
<b>Ciceley Lawson</b>	Age & Service	April 1, 2019	Police	18 years 9 months	Safety Services

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

**H. TRUSTEE COMMENTS / SUGGESTIONS**

**I. ADJOURNMENT**

It was **moved** by Hastie and **seconded** by Monroe to adjourn the meeting at 8:53 a.m.  
**Meeting adjourned at 8:53 a.m.**



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