

**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
January 15, 2026**

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 8:35 a.m.

ROLL CALL

Members Present: DiGiovanni, Flack (*Via TX*), Foster, Grimes, Nerdrum (*Via TX*), Praschan (*ViaTX*), Schreier, Toth, Walbridge
Members Absent: None
Staff Present: Buffone, Gustafson, Lieder, Orcutt (*Via TX*)
Others: Michael VanOverbeke, Legal Counsel (*Departed at 8:59am, Arrived at 9:01am*)

AUDIENCE COMMENTS

Current Trustees and office personnel introduced themselves and welcomed new incoming Citizen Trustee K.C. Walbridge.

A. APPROVAL OF AGENDA

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

Approved

B. APPROVAL OF MINUTES

B-1 December 18, 2025 Regular Board Meeting

It was **moved** by Foster and **seconded** by DiGiovanni to approve the December 18, 2025 Regular Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA

C-1 Purchase of Military 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, Section 1:555(C)(3) of the Retirement Ordinance, Chapter 18 of the Code of the City of Ann Arbor allows for prior Military Service Credit, and

WHEREAS, the Board is in receipt of an Application for Purchase of Military Service Time, 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 purchase of Military Service Time:

Name	Employee Group	Requested Military Service Time	Requested Method of Payment	Cost for Purchase of Military Service Time
Robert Skiff	Community Services	4 Years	Single Lump Sum Payment	\$14,431.04
Jon Barrett	Community Services	3 Years & 4 Months	Single Lump Sum Payment	\$13,918.67

FURTHER RESOLVED, that the applicant(s) purchasing Military Service Time be notified of the amount of money necessary to buy the Military Service Time, and upon full payment, the member(s) shall be credited the service time.

C-2 Amended Consent Judgment of Divorce: Linda Anderson & Craig Anderson

WHEREAS, the Board of Trustees is in receipt of an entered Amended Consent Judgment of Divorce dated January 5, 2026 (the "JOD"), in the referenced domestic relations matter, and

WHEREAS, the JOD provides in relevant part that:

"It is further ordered and adjudged that Defendant shall be awarded all of his retirement free and clear of any claim from the Plaintiff. His retirement consists of the following:

- a. MERS account;
- b. City of Ann Arbor 457b; and
- c. Pension through the City of Ann Arbor which is already in pay status.

It is further ordered and adjudged that Defendant shall be responsible for any tax consequences and penalties in relation to the withdrawal of funds from Mission Square and Plaintiff shall be held harmless from any liability thereon. Upon entry of this Order, the election of a reduced Retirement Allowance for payment under Option II or Option III is to be considered void by the Retirement System."

, and

WHEREAS, at the time of his retirement effective May 25, 2019, Mr. Anderson elected the Retirement System's Option II 100% Joint and Survivor retirement allowance and designated Linda Leigh Anderson as his beneficiary, and

WHEREAS, absent an additional award, order or Judgment of the Court, Ms. Anderson will no longer be considered as Mr. Anderson's survivor beneficiary for purposes of the Option II 100% Joint and Survivor form of benefit, and that Mr. Anderson's benefit election shall revert to a straight life form of benefit, and

RESOLVED, that Craig Anderson's retirement allowance shall revert to the Retirement System's Straight Life Allowance, and further

RESOLVED, that the reversion to a Straight Life Allowance shall be effective February 1, 2026 pursuant to the provisions of the Retirement System, and further

WHEREAS, said matter having been discussed with Legal Counsel who has opined that the terms of the Consent Judgment of Divorce are consistent with applicable law, therefore be it

RESOLVED, that the Board of Trustees acknowledges receipt of said Judgment and will pay future pension benefits consistent with it, and further

RESOLVED, that copies of this Resolution be sent to Craig Anderson, the Participant; David M. Stimpson, Esq., attorney for the Participant; Linda Anderson, the Participant's former spouse; Lowry M. Rains, Esq., attorney for the Participant's former spouse; and the Board's Actuary.

It was **moved** by Foster and **seconded** by DiGiovanni to approve the consent agenda as presented.

Approved

The Board discussed the Military Service Policy in regard to the form DD214. DD214 is a servicemember's certificate of release or discharge from active duty. Current policy states certified DD214 must be acquired by the System, unless the Board agrees to waive that requirement at time of purchase acceptance. The current policy is currently being revised but will continue to require direct DD214 verification from the appropriate Military Branch by System staff.

D. EXECUTIVE SESSION – Disability Re-Examination Review

Ms. Orcutt informed the Board of the decision form received from the medical director for Mr. Morrow which will be noted as received and filed. No executive session was necessary.

E. ACTION ITEMS

E-1 Motion Regarding Disability Re-Examination Review

Ms. Orcutt has reviewed the medical report for Mr. Morrow and it is consistent with the Physician's decision. Ms. Orcutt informed the Board that the Physician has concluded that Mr. Morrow's condition renders him mentally or physically totally incapacitated from performing the customary duties of his City employment held at the time of his disability, and that such incapacity will probably be permanent depending on Mr. Morrow's availability and acceptance of treatment.

It was **moved** by DiGiovanni and **seconded** by Foster that the Board acknowledges receipt of the medical report dated January 12, 2026 from Calmeze Dudley Jr., M.D. with regards to the independent medical evaluation of Roman Morrow, noting that the doctor has concluded that he is totally and permanently incapacitated for duty in the service of the City, and that such incapacity will probably be permanent depending on Mr. Morrow's availability and acceptance of treatment; the Board therefore grants the disability retirement consistent with the Board's Disability Retirement Procedures.

Approved

E-2 Election of Board Officers (Chairperson, Vice-Chairperson, and Secretary)

Mr. Schreier asked the Board if the₃ Committees could be elected during the

January Board meeting instead of February. The Board decided to conduct Committee elections during the February Board meeting to allow current Trustees to attend Committees to see which ones they would be interested in joining.

It was **moved** by Foster and **seconded** by DiGiovanni to elect Jeremy Flack for Board Chairperson, Jennifer Grimes for Board Vice-Chairperson, and Jordan Schreier for Board Secretary for the 2026 term.

Approved

E-3 401 Executive Plan Staff Time For Quarter End 12/31/2025

Ms. Orcutt presented the 401 Executive Plan Staff Time for Quarter End 12/31/2025.

E-4 401 Plan Staff Time For Quarter End 12/31/2025

Ms. Orcutt presented the 401 Plan Staff Time for Quarter End 12/31/2025.

E-5 457 Plan Staff Time For Quarter End 12/31/2025

Ms. Orcutt presented the 457 Plan Staff Time for Quarter End 12/31/2025.

It was **moved** by Foster and **seconded** by DiGiovanni to acknowledge, receipt, and approve the DC Plan Staff Time for Quarter End 12/31/2025.

Approved

E-6 401 Executive Plan Proposed FY 2027 Expenditure Budget

Ms. Orcutt presented the 401 Executive Plan proposed FY 2027 Expenditure Budget.

E-7 401 Plan Proposed FY 2027 Expenditure Budget

Ms. Orcutt presented the 401 Plan proposed FY 2027 Expenditure Budget.

E-8 457 Plan Proposed FY 2027 Expenditure Budget

Ms. Orcutt presented the 457 Plan proposed FY 2027 Expenditure Budget.

E-9 ERS Proposed FY 2027 Expenditure Budget

Ms. Orcutt presented the Retirement System proposed FY 2027 Expenditure Budget.

It was **moved** by Foster and **seconded** by DiGiovanni to acknowledge, receipt, and approve the three DC Plan budgets and the Retirement System Proposed FY 2027 Expenditure Budget.

Approved

F. DISCUSSION ITEMS

F-1 Welcome K.C. Walbridge – New Trustee

During *Audience Comments*, current trustees and office personnel introduced themselves and welcomed new incoming citizen trustee K.C. Walbridge.

F-2 Annual Service Provider Review

[Mr. VanOverbeke left the meeting at 8:59 a.m. and returned at 9:01 p.m. when the Board was reviewing VMT Legal Services]

The Board reviewed and discussed all System service providers.

It was **moved** by DiGiovanni and **seconded** by Grimes to acknowledge and receipt the Board's annual review and discussion of all service providers.

Approved

The Board reviewed and discussed the System's Investment Consultant provider, Meketa, and the System's overall satisfaction with their services. It was deemed prudent and necessary to terminate Meketa's services due to ongoing services issues and appoint Graystone as the System's new Investment Consultant. The System will draft and send a thirty-day (30) termination letter to Meketa as soon as administratively possible once contracts with Graystone are underway. The RFP proposal submitted by Graystone was valid for six (6) months once submitted expiring late January, 2026. Ms. Orcutt will confirm with Graystone prior to proceeding.

It was **moved** by Foster and **seconded** by Schreier to terminate Meketa as soon as administratively feasible and that the System will provide the appropriate thirty-day (30) notice by the Plan Administrator.

Approved

It was **moved** by Foster and **seconded** by Schreier to appoint Graystone as the System's new Investment Consultant subject to contract negotiations to be handled by the Investment Committee Chair, Executive Director, General Counsel, and Graystone. If possible the Board would like Graystone to be in place to provide the first quarter report if administratively feasible.

Approved

F-3 Trustee Terms Expiring in 2026

Ms. Orcutt informed the Board that Mr. DiGiovanni and Mr. Schreier's terms are expiring December 31, 2026. Mr. DiGiovanni discussed his intent to continue serving and would seek reappointment. Mr. Schreier is considering his options and has not decided to seek reelection or vacate his seat on January 1st, 2027. Mr. Flack's term as Fire Trustee is up for reelection.

F-4 February APC Meeting Date

Ms. Orcutt and the Administrative Policy Committee Chair, Ms. Grimes agreed to hold the next APC on March 10, 2026 at 3:00 p.m. at the Pension Office.

G. REPORTS

G-1 Executive Report – January 15, 2026

HIGHVISTA CAPITAL CALLS

HighVista Private Equity requested a capital call of our commitment to Fund X in the amount of **\$260,000** for the Retirement₅ Plan and **\$70,000** for VEBA on 1/6/2026 to

fund investments. With these installments, **CAAERS** will have funded 46% of our total commitments of \$4,000,000 for the Retirement Plan and \$1,000,000 for the VEBA.

TORCHLIGHT DISTRIBUTIONS

Torchlight Investors issued a distribution from the Debt Fund VII in the amount of **\$201,471** for the Retirement Plan and **\$89,452** for the VEBA on 12/24/2025. These funds consist of net income and return of capital.

CONSTITUTION CAPITAL CALLS AND DISTRIBUTIONS

Ironsides Direct Investment Fund V, L.P. issued a distribution in the amount of **\$ 88,303** for the Retirement System and **\$ 29,434** for VEBA consisting of distribution of proceeds netted against expenses and management fees on 12/23/2025.

SVB DISTRIBUTION

SVB Fund VIII issued a distribution in the amount of **\$ 232,103** for the Retirement System and **\$ 58,026** for the VEBA on 12/18/25 consisting of return of capital.

CARLYLE DISTRIBUTION

Carlyle Realty Fund VIII issued a distribution in the amount of **\$ 152,730** for the Retirement System and **\$ 38,181** for the VEBA on 12/23/25. The distribution was netted against fees and expenses.

DRA CAPITAL CALLS AND DISTRIBUTIONS

DRA issued a distribution from the Growth and Income Fund IX on 12/19/25 in the amount of **\$ 10,924** for the Retirement System and **\$ 3,213** for the VEBA consisting of return of capital netted against carried interest.

STAFF OPERATIONS/MISCELLANEOUS

The Pension Analyst processed 19 estimates, 3 final calcs, 6 deceased calcs, 5 non-vested calcs, 2 payouts, and conducted 6 pre-sessions.

G-2 Executive Report – Voya Update

Voya Update – January 15, 2026

457 PLAN - Balance at 1/7/2026 - \$ 126,383,000

EASE Account Balance \$ 15,104

Participation Rate	53%
Average \$ Deferral	\$266.00
Average % Deferral	10%
Investment Diversification	87%

401A PLAN – Balance at 1/7/2026 - \$ 12,910,000

Forfeiture Balance \$ 230,370

401A Executive PLAN – Balance at 1/7/2026 - \$ 1,280,000

Forfeiture Balance \$ 706

Current Items/Education:

During the month of December, Mike had 6 in person meetings, 2 zoom meetings and 2 phone calls. Mike Landolt will be holding virtual appointments only during the months of January and February.

401 and 457 Force Outs – 2025

The notices for both plans were mailed out on December 29th. After the 60 day window has passed, Voya will provide updated lists with remaining balances which Staff will review and approve prior to Voya conducting the distributions

Future Items/Education:

401 Plan Doc/Ordinance Revisions regarding Force Outs and other updates.

Mandatory Roth Catch Up Audit – January 2026

360 Integration with Payroll

G-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended December 31, 2025

Ms. Orcutt submitted the Financial Report for the month ended December 31, 2025 to the Board of Trustees:

12/31/2025 Asset Value (Preliminary)	\$701,662,100
11/30/2025 Asset Value (Audited by Northern)	\$695,415,570
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$6,944,070
Percent Gain <Loss>	1.0%
January 15, 2026 Asset Value	\$711,100,504

G-4 Investment Policy Committee Minutes – None

G-5 Administrative Policy Committee Minutes – None

G-6 Audit Committee Minutes – None

G-7 Legal Report

Mr. VanOverbeke presented a draft *Demand for Inspection of Books and Records Pursuant to 8De. C. §220* letter. The intent of the letter is to investigate potential wrongdoing in connection with the Fifth Third and Comerica Bank transaction in order to determine whether it is appropriate to initiate litigation against Comerica's management, some or all of the other members of the Comerica Board, the Company, and/or others, or to take any other appropriate action. The demand further seeks to investigate the

independence and disinterestedness of the Company’s management and directors—both generally and with respect to the transaction—to determine whether they acted with a proper motive during the sale process, in approving the transaction, and in overseeing Farmer’s conflicts.

It was **moved** by Foster and **seconded** by Grimes to approve and allow the firm Robbins Geller Rudman & Dowd LLP to send the drafter demand to Comerica Incorporated.

Approved

H. INFORMATION (Received & Filed)

H-1 Communications Memorandum

H-2 February Planning Calendar

H-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	Meketa	\$10,000.00	Investment Consulting Fee 11/2025
2	Wendy Orcutt	\$1,111.51	December Office Visit
3	DTE (Reimbursement to M.Lieder)	\$131.39	DTE Electric 11/11/2025 to 12/11/2025
4	DTE (Reimbursement to M.Lieder)	\$132.84	DTE Gas 11/11/2025 to 12/11/2025
5	Milliman	\$3,610.57	MARC Licensure/MFA 172 - 11/2025
6	AMEX (Itemized below 7-10)		AMEX Bill Cycle Closed 12/28/2025; Total \$786.93
7	AMEX - Kolossos Printing	\$388.64	200 6"x4" Magnets (Retirees Final Session)
8	AMEX - Panera Bread	\$78.29	Breakfast Food for Board Meeting 12/18/2025
9	AMEX - S&J Cleaning	\$160.00	Office Cleaning 12/3/2025
10	AMEX - S&J Cleaning	\$160.00	Office Cleaning 12/17/2025
11	Applied Innovations	\$20.72	Printing Services 12/2025
12	Culligan	\$14.00	Service 1/2026
13	MAPERS	\$200.00	2026 Membership Renewal
14	Meketa	\$10,000.00	Investment Consulting Fee 12/2025
15	West Arbor Condo Association	\$367.00	Condo Association Dues 1/2026
	Total	\$26,374.96	

H-4 Retirement Report

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

Name	Retirement Type	Effective Retirement Date	Group	Union	Years of Service	Dept./Service Area
Douglas Kelly	Age & Service	1/25/2026	General	NON UNION	17 Years & 0.5 Months	Community Services
James Clare	Age & Service	1/28/2026	General	NON UNION	20 Years & 11 Months	City Administrators
Lendra Zander	Deferred Age & Service	1/1/2026	General	AFSC	6 Years & 9 Months	Public Services
Patrick Maguire	Age & Service	1/25/2026	Police	NON UNION	25 Years & 3 Months	Safety Services

H-5 Analysis of Page Views on Retirement System Website

I. TRUSTEE COMMENTS / SUGGESTIONS

Ms. Grimes discussed suspicious emails that some of the trustees have received and ways to better safeguard that information.

J. **ADJOURNMENT**

It was **moved** by Nerdrum and **seconded** by Foster to adjourn the meeting at 10:14 a.m.
Meeting adjourned at 10:14 a.m.

Wendy Orcutt

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