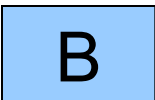


**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
April 16, 2026**



The meeting was called to order by Board Chairperson, Jeremy Flack, at 8:44 a.m.

ROLL CALL

Members Present: DiGiovanni, Flack, Foster, Grimes, Praschan, Schreier, Toth, Walbridge
Members Absent: Nerdrum
Staff Present: Buffone, Gustafson, Lieder, Orcutt
Others: Michael VanOverbeke, Legal Counsel (*Arrived 9:02am*)
Kyli Soto, Innovest (*Arrived 8:55am*)
Troy Jensen, Innovest (*Arrived 8:55am*)
Len Goff, Voya
John Krakowiak, Graystone
Amy Cole, Graystone (*Arrived 8:58am*)
Erik Burger, Graystone

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Toth and **seconded** by Grimes to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 March 19, 2026 Regular Board Meeting

It was **moved** by Toth and **seconded** by Grimes to approve the March 19, 2026 Regular Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA - None

D. ACTION ITEMS

D-1 401 Executive Plan Expenses To Be Paid From Forfeitures For Quarter End 3/31/2026

Ms. Orcutt presented the 401 Executive plan expenses for QTR End 3/31/2026.

D-2 401 Dual Plan Expenses To Be Paid From Forfeitures For Quarter End 3/31/2026

Ms. Orcutt presented the 401 Dual Plan expenses for QTR End 3/31/2026.

D-3 457 Plan Expenses To Be Paid From EASE Account For Quarter End 3/31/2026

Ms. Orcutt presented the 457 Plan expenses for QTR End 3/31/2026.

It was **moved** by Foster and **seconded** by DiGiovanni to approve the DC Plans Staff time reimbursement requests for quarter end 3/31/2026.

Approved

D-4 Revised RFP-RFI Policy

Ms. Orcutt presented the revised RFP-RFI policy. No new revisions or edits were requested by the Board.

It was **moved** by Toth and **seconded** by Grimes to approve the revised RFP-RFI policy as presented to the Board.

Approved

[Meeting Paused: 8:53am]

Board conducted VEBA Regular Board Meeting.

[Meeting Resumed: 8:54am]

D-5 Revised Committee Charters Policies

Ms. Orcutt presented the revised Committee Charters policies. Revisions were discussed including striking “Employee Retirement Income Security Act” protections and replacing it with “Public Employee Retirement Investment System Act” under Investment Policy Committee charter.

It was **moved** by Grimes and **seconded** by Walbridge to approve the Committee Charters Policies as revised by the Board.

Approved

E. DISCUSSION ITEMS

E-1 Minimum Benefit Overpayments GRS Calc

Ms. Orcutt presented the minimum benefit overpayment calculations from GRS for the two members that had received an overpayment. For both, GRS provided four (4) repayment options (see below). The Board discussed the four (4) options to determine their appropriate viability and fairness.

Option 1: Lump Sum

- Member repays the full overpayment amount.

Option 2: Overpayment Period

- Member will repay the full overpayment amount over the same period that the overpayments were made. The monthly repayment amount is calculated by dividing the time period from the full repayment amount.

Option 3: Actuarial Equivalent based on Plan Ordinance definition of actuarial equivalence including 7% interest.

- Member will repay the full overpayment amount over their expected remaining lifetime via a reduction to their CAAERS benefit.

-

Option 4: Actuarial Equivalent based on Plan Ordinance definition of actuarial equivalence but with 0% interest.

- Member will repay according to option 3 without the 7% interest.

It was **moved** by Schreier and **seconded** by DiGiovanni to acknowledge receipt of the GRS calculations and directing Pension staff to send correction letters to the two (2) members with options one (1), two (2), and four (4) to choose from for repayment.

Approved

F. REPORTS

F-1 Executive Report – April 16, 2026

GRAIN COMMUNICATIONS CAPITAL CALLS

At Grain Communications Opportunity Fund IV requested a capital call in the amount of **\$23,767** for the Retirement System and **\$14,260** for the VEBA on 3/31/2026 to pay management expenses and fees.

HIGHVISTA CAPITAL CALLS

HighVista Private Equity requested a capital call of our commitment to Fund X in the amount of **\$280,000** for the Retirement Plan and **\$70,000** for VEBA on 4/2/2026 to fund investments. With these installments, **CAAERS** will have funded 53% of our total commitments of \$4,000,000 for the Retirement Plan and \$1,000,000 for the VEBA.

CARLYLE CAPITAL CALLS AND DISTRIBUTIONS

Carlyle Realty Fund VIII issued a distribution in the amount of **\$20,157** for the Retirement System and **\$ 5,038** for the VEBA on 3/27/26. The distribution was netted against fees and expenses.

SUMMIT PARTNERS CAPITAL CALLS AND DISTRIBUTIONS

Summit Partners Credit Fund III, L.P. issued a distribution in the amount of **\$ 393,867** for the Retirement System and **\$ 98,468** for the VEBA on 4/2026.

MEETINGS AND COMMUNICATIONS WITH CITY STAFF

ED met with City Legal and CFO on March 17th and 18th to discuss next steps for the 401a Match Issue.

ED and Staff met with HR on March 24th to review the onboarding process in UKG to get a better understanding of recent issues with the application of incorrect pension codes.

ED and Staff met with the new Payroll Supervisor for an introduction and to discuss appropriate corrections to several recent pay code errors.

STAFF OPERATIONS/MISCELLANEOUS

The Pension Analyst processed 26 estimates, 3 final calcs, 2 deceased calcs, 5 non-vested calcs, 2 payouts, and conducted 7pre-sessions.

F-2 Executive Report – Voya Update

Voya Update – April 16, 2026

457 PLAN - Balance at 4/8/2026 - \$ 121,693,000

EASE Account Balance \$ 21,388

Participation Rate	53%
Average \$ Deferral	\$255.00
Average % Deferral	10%
Investment Diversification	87%

401A PLAN – Balance at 4/8/2026 - \$ 12,674,000

Forfeiture Balance \$ 187,395

401A Executive PLAN – Balance at 4/8/2026 - \$ 1,327,000

Forfeiture Balance \$ 304

Current Items/Education:

During the onsite meetings during March 18th and 19th, Mike Landolt had 10 in person meetings as well as 3 phone calls . He will be onsite again on April 22nd and 23rd.

401 and 457 Force Outs – 2025

Of the remaining balances after the deadline to take action passed the following occurred:

In the 457 Plan: 1 Cashed out and 1 Rolled to the IRA product.

In the 401 Plan: 35 Cashed out and 33 were Rolled to the IRA product.

Mandatory Roth Catch Up Audit

Voya has flagged the accounts of the 11 City staff identified that had over \$150,000 in FICA wages in 2025. Communication to these employees with directives was sent out at the end of March. This audit will be conducted annually in January.

401a City Match Issue

The City provided the data to Voya who is working on the calculation for the missed employer contribution match tied to an overtime code that was not being captured.

Future Items:

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

360 Integration with Payroll.

F-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended March 31, 2026

Ms. Orcutt submitted the Financial Report for the month ended March 31, 2026 to the Board of Trustees:

3/31/2026 Asset Value (Preliminary)	\$700,339,040
2/28/2026 Asset Value (Audited by Northern)	\$728,554,191
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$6,052,464
Percent Gain <Loss>	0.9%
April 15, 2026 Asset Value	\$712,582,657

F-4 Investment Policy Committee Minutes – None

F-5 Administrative Policy Committee Minutes – April 14, 2026

Following are the Administrative Policy Committee minutes from the meeting convened at 3:02 p.m. on April 14, 2026:

Committee Members Present: Grimes, Praschan. Schreier (Via TX), Toth, Walbridge (Via TX)
Members Absent: None
Other Trustees Present: None
Public Present: None
Staff Present: Buffone, Gustafson, Lieder, Orcutt
Others Present: None

DC PLANS UPDATE

401 Match Issue Update: Ms. Orcutt provided an update to the 401 match issue recalling there was an overtime pay code that wasn't being captured as part of the employer match over many years. Human Resources (HR) provided all the data to Voya of everyone that had been affected along with amount owed per employee. Voya has provided several options for corrective action and Ms. Orcutt and Ms. Praschan have forwarded the email to the City's legal team to identify the best correction method to use. Once that is determined and the missed match amount payment is made, Voya can then compute the earnings based on the full time period for each employee.

UKG/Pension Code Corrections: Ms. Orcutt stated that there has been an increase in recent weeks of errors during the onboarding process when HR inputs the pension deduction data. These range from employees receiving a match in the 401 that should not, 401 Dual Plan contributions not being deducted and another employee was in the Dual Plan and did not have the 3% deducted for the DB contribution. Ms. Praschan clarified appropriate roles for HR and Payroll and noted that this may be due to untrained employees. The issue seems to arise when a union transfer or rehire occurs.

While HR does identify some of these issues after the fact, many are caught when Ms. Buffone receives the various reports from the City to perform reconciliations for the bi-weekly pay transmittals to upload into the MARC administration System. Staff met with HR in late March to discuss their process and attempted to offer suggestions to help

increase accuracy and avoid errors in the future. Staff has also met with the new payroll supervisor to assist when possible with the corrections and also give an overview of how both the Traditional and Dual Plan are structured as it related to employee contributions..

**401 EXECUTIVE PLAN EXPENSES TO BE PAID FROM FORFEITURES
FOR QUARTER END 3/31/26**

Ms. Orcutt presented the 401 Executive plan expenses for QTR End 3/31/2026.

**401 DUAL PLAN EXPENSES TO BE PAID FROM FORFEITURES FOR
QUARTER END 3/31/26**

Ms. Orcutt presented the 401 Plan expenses for QTR End 3/31/2026.

**457 PLAN EXPENSES TO BE PAID FROM EASE ACCOUNT FOR QUARTER END
3/31/26**

Ms. Orcutt presented the 457 Plan expenses for QTR End 3/31/2026.

The Committee reviewed the Quarter End 3/31/2026 DC plans staff time reimbursement requests for all three plans.

It was ***moved*** by Toth and ***seconded*** by Praschan to recommend to the Board for approval the DC Plans Staff time reimbursement requests for quarter end 3/31/2026.

APPROVED

HR/PAYROLL ONBOARDING DISCUSSION

The Committee continued to discuss the HR/Payroll onboarding issues that were highlighted earlier.

REVISED RFP-RFI POLICY

The Committee reviewed the revised RFP-RFI policy. No new edits or revisions were recommended.

It was ***moved*** by Toth and ***seconded*** by Schreier to submit the revised RFP-RFI policy to the Board for approval.

APPROVED

REVISED COMMITTEE CHARTERS POLICIES

The Committee reviewed the revised Committee Charters policies. Several revisions and edits were recommended. More clarification is needed from Legal regarding Employee Retirement Income Security Act (ERISA) protections and if they apply to the System. The Committee agreed to discuss it further during the next Board meeting in April.

MAY APC MEETING DATE

Ms. Orcutt and the Committee agreed to hold the next Administrative Policy Committee meeting on May 12, 2026, at 3:00 p.m. at the Pension office.

ADJOURNMENT

It was ***moved*** by Praschan and ***seconded*** by Toth to adjourn the meeting at 3:36 p.m.
Meeting adjourned at 3:36 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.

	<i>PAYEE</i>	<i>AMOUNT</i>	<i>DESCRIPTION</i>
1	Culligan	\$9.99	Cooler Exchange Transportation Fee
2	Milliman	\$3,710.91	MARC Licensure/MFA 178 - 2/2026
3	AMEX (itemized below 4-10)		AMEX Bill Cycle Closed 3/30/2026; Total \$818.80
4	AMEX - Luncheon Speaker	\$200.00	Booking Fee for Annual Luncheon Speaker James Giordani
5	AMEX - Kroger	\$80.32	Items Purchased on 3/3/2026
6	AMEX - Kroger	\$87.54	Items Purchased on 3/18/2026
7	AMEX - Notaries	\$77.95	Maria Buffone Notary Renewal
8	AMEX - S&J Cleaning	\$160.00	Office Cleaning on 3/11/2026
9	AMEX - S&J Cleaning	\$160.00	Office Cleaning on 3/25/2026
10	AMEX - Staples	\$52.99	Items Purchased on 3/3/2026
11	MAPERS	\$400.00	MAPERS Spring Conference (Grimes)
12	Culligan	\$14.00	Service 4/2026
13	GRS	\$2,975.00	GASB 67/68 Valuation Q2 2026
14	GRS	\$8,350.00	Pension Valuation Q2 2026
15	GRS	\$1,600.00	EDRO Calc Clare v. Clare
16	West Arbor Condo Association	\$367.00	Condo Association Dues 5/2026
	Total	\$18,245.70	

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	Dept./Service Area
LeAnn Belkonen	Age & Service	5/2/2026	General	TPOAM	3 Years & 8 Months	15th District Court
Erica Jefferies	Age & Service	5/7/2026	General	Non Union	18 Years & 5 Months	15th District Court

G-5 **Analysis of Page Views on Retirement System Website**

H. **TRUSTEE COMMENTS / SUGGESTIONS**

I. **ADJOURNMENT**

It was ***moved*** by Foster and ***seconded*** by Toth to adjourn the meeting at 9:28 a.m.
Meeting adjourned at 9:28 a.m.

Wendy Orcutt

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