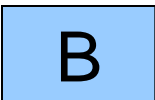


**City of Ann Arbor Employees' Retirement System  
Minutes for the Regular Meeting  
March 16, 2023**



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

**ROLL CALL**

Members Present: DiGiovanni, Flack, Foster, Grimes, Lynch, Monroe, Praschan, Schreier  
Members Absent: Nerdrum  
Staff Present: Buffone, Gustafson, Hollabaugh, Orcutt  
Others: Michael VanOverbeke, Legal Counsel  
William Abramowicz, Corebridge  
Henry Jaung, Meketa (*Vix TX 9:29 – 9:43 a.m*)  
Keith Beaudoin, Meketa (*Vix TX 9:29 – 9:43 a.m*)

**AUDIENCE COMMENTS**

**A. APPROVAL OF AGENDA**

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

**B. APPROVAL OF MINUTES**

**B-1 February 16, 2023 Regular Board Meeting**

It was **moved** by Monroe and **seconded** by Grimes to approve the February 16, 2023 Regular Board Meeting minutes as submitted.  
**Approved**

**C. CONSENT AGENDA - None**

**D. EXECUTIVE SESSION**

It was **moved** by Monroe and **seconded** by Grimes to convene an Executive Session at the request of Ms. Orcutt and Ms. Buffone for the purpose of discussing a personnel matter.

**Approved**

*Roll call vote:*

DiGiovanni - Yes  
Flack - Yes  
Grimes - Yes

Foster – Yes  
Lynch – Yes  
Monroe - Yes

Nerdrum – Absent  
Praschan - Yes  
Schreier - Yes

*Executive session time: 8:47 a.m. – 9:00 a.m.*

It was **moved** by Schreier and **seconded** by DiGiovanni to approve the salary increase for Maria Buffone as discussed in Executive Session.

**Approved**

**E. ACTION ITEMS**

### **E-1 Proposed April 20, 2023 Board Retreat Agenda**

The Board reviewed the proposed April 20, 2023 Board Retreat agenda and agreed to approve. Mr. VanOverbeke suggested to the Board his presentation could be last on the agenda in the event that the other topics take longer than anticipated.

It was **moved** by Monroe and **seconded** by Lynch to approve the April 20, 2023 Board Retreat agenda as revised.

**Approved**

### **E-2 2023 Annual Members Newsletter**

The Board reviewed the 2023 Annual Members Newsletter making some revisions and agreed to approve and mail out.

It was **moved** by Schreier and **seconded** by Foster to approve the 2023 Annual Newsletter as revised.

**Approved**

### **E-3 FY 2024 Expenditure Budget**

Ms. Buffone presented and reviewed the FY 2024 Expenditure Budget.

It was **moved** by Monroe and **seconded** by Lynch to approve the Fiscal Year 2024 Expenditure Budget.

**Approved**

### **E-4 2023 Spring MAPERS Conference, May 20-23, 2023**

Ms. Orcutt informed the Board of the upcoming Spring MAPERS Conference. Ms. Orcutt requested that any Board members interested in attending should notify the Retirement Office.

It was **moved** by Monroe and **seconded** by Grimes to approve any interested Staff or Board Member to attend the Spring MAPERS Conference.

**Approved**

## **F. DISCUSSION ITEMS**

### **F-1 MAPERS One Day Seminar Recap from Attendees**

Ms. Orcutt reviewed the MAPERS Conference, highlighting topics from various sessions.

### **F-2 Silicon Valley Bank/Financial Markets**

Mr. Jaung and Mr. Beaudoin were present to discuss the market changes involving Silicon Valley Bank and recent developments.

## **G. REPORTS**

**G-1 Executive Report – March 16, 2023**

**DRA CAPITAL CALLS AND DISTRIBUTIONS**

DRA requested a capital call of our commitment to the Growth and Income Fund X in the amount of **\$157,895** for the Retirement Plan and **\$105,263** for the VEBA on 3/7/23 for the purpose of funding current commitments.

**CONSTITUTION CAPITAL CALLS AND DISTRIBUTIONS**

Ironsides Partnership Fund III issued a distribution in the amount of **\$500,162** for the Retirement System on 3/7/23 comprised of sale proceeds and return of capital netted against expenses, interest and a call for investments.

**PENSION ADMINISTRATION SOFTWARE CONVERSION**

Staff continues to meet weekly with Milliman and the MARC system went live on 12/19. Staff continues to report any fixes needed to Milliman. The test version of the employee website is targeted to be complete by 3/31. Milliman will provide a demonstration at the Retreat.

**STAFF OPERATIONS/UPDATE**

The Pension Analyst processed 41 estimates, 4 final calculations, 6 non-vested calculations, 2 deceased calcs, 1 payout, 1 deferred and conducted 5 pre-sessions.

Staff continues to spend extensive time testing reports, pension transmittals and calculations for the new MARC system.

**G-2 Executive Report – MissionSquare (ICMA) Update**

**457 PLAN**

**Balance at 3/9/23 - \$ 102,145,000 - Statistics as of 2/28/23**

**Admin Allowance Balance = \$ 38,056**

Full Compare

Success Factors		
	Your Plan	Peer Plans
Retirement Readiness	49.3%	40%
Investment Diversification	90.1%	88.3%
Participation Rate (Avg.)	83.2%	71.4%
Number of Eligible Participants	548	160
Account Balance (Avg.)	\$76,118	\$52,391
Average Savings Rate	2.9%	5.8%
Rate of Return (Avg.)	-3.03%	-6.4%
Percent of Balances out on loan	0%	0.8%
Percentage of Participants with an Outstanding Loan	0%	N/A
Plan Annual Contributions (Avg.)	\$6,274	\$5,348
Active Saver Pre-Tax Savings Rate	1.7%	3.1%
Auto Enrollment Rate	0%	N/A
Number of Participants in a Target Date Fund	400	55
Number of Investments	4	3

Your Plan Features		
	Your Plan	Peer Plans
Offers Managed Accounts	Offered	69%
Target Date Funds Offered	Offered	98%
Number of Investments Offered	28	30
Offers Loans	Not Offered	36%
Employer Contributions Offered	Not Offered	0%
Offers Matching Contributions	Not Offered	0%
Allows After-Tax Contributions	Not Offered	0%
Auto Enrollment	Not Offered	0%
Auto Increase	Not Offered	0%

**Current Items/Education:**

A representative from MSQ will be presenting at the retiree luncheon on May 25th. The fund changes were implemented on February 24<sup>th</sup>.

**401A PLAN**

**Balance at 3/9/23 – \$ 4,763,000 – Statistics as of 2/28/23**  
**Forfeiture Balance = \$ 76,170**

Full Compare

Success Factors		
	Your Plan	Peer Plans
Retirement Readiness	69.5%	66.7%
Investment Diversification	98%	92.6%
Participation Rate (Avg.)	94.8%	20%
Number of Eligible Participants	305	113
Account Balance (Avg.)	\$13,289	\$51,410
Average Savings Rate	8.7%	7.5%
Rate of Return (Avg.)	-2.1%	-5.69%
Percent of Balances out on loan	0%	1.1%
Percentage of Participants with an Outstanding Loan	0%	N/A
Plan Annual Contributions (Avg.)	\$4,552	\$5,658
Active Saver Pre-Tax Savings Rate	0%	0.6%
Auto Enrollment Rate	0%	N/A
Number of Participants in a Target Date Fund	288	72
Number of Investments	1	3

Your Plan Features		
	Your Plan	Peer Plans
Offers Managed Accounts	Offered	77%
Target Date Funds Offered	Offered	99%
Number of Investments Offered	26	29
Offers Loans	Not Offered	46%
Employer Contributions Offered	Offered	80%
Offers Matching Contributions	Not Offered	0%
Allows After-Tax Contributions	Not Offered	0%
Auto Enrollment	Not Offered	0%
Auto Increase	Not Offered	0%

**G-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended February 28, 2023**

Maria Buffone, Accountant, submitted the Financial Report for the month ended February 28, 2023 to the Board of Trustees:

2/28/2023 Asset Value (Preliminary)	\$590,253,015
1/31/2023 Asset Value (Audited by Northern)	\$595,474,028
Calendar YTD Increase/Decrease in Assets <i>(excludes non-investment receipts and disbursements)</i>	\$18,921,471
Percent Gain <Loss>	3.3%
<b>March 14, 2023 Asset Value</b>	<b>\$578,971,582</b>

**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 updated the Board regarding the Green Dot Bank fraudulent issues. Since the notification of the known Green Dot Bank fraud across the State, officials were able to locate the responsible individual for prosecution.

The pension tax bill 4001 was recently approved and will be known as Public Act 4 2023.

Mr. VanOverbeke has been working with a Committee to draft an amendment to the Open Meetings Act allowing for virtual meetings. An update will be provided as progression is made.

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

**H-1 Communications Memorandum**

**H-2 April Planning Calendar**

**H-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	City of Ann Arbor Treasurer	\$119.00	Police False Alarm 12/3/2022
2	American Express	\$2,174.96	Luncheon Deposit, Kroger, MAPERS, Office Cleaning
3	Applied Imaging	\$40.84	Printing Services 2/2023
4	Buck	\$1,924.34	Monthly Admin. Hosting Fee 2.2023
5	Laura Hollabaugh	\$156.65	DTE Reimbursement Gas Service 1/13/2023-2/10/2023
6	Laura Hollabaugh	\$145.61	DTE Reimbursement Electric 1/13/2023-2/10/2023
7	Meketa	\$10,000.00	Investment Consulting Fee 2/2023

8	Milliman	\$5,777.18	MARC Implementation Fee
	<b>Total</b>	<b>\$20,338.58</b>	

#### 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
<b>Marianne Howard</b>	Deferred Age & Service	March 1, 2023	General	NON UNION	15 Years, 4.5 Months	Public Services
<b>Patrick Maino</b>	Age & Service	March 18, 2023	General	TEAMSTERS	15 Years, 10 Months	Public Services
<b>Francis Burchett</b>	Age & Service	April 1, 2023	General	AFSCME	21 Years, 7 Months	City Administration
<b>Thomas Kolpacki</b>	Age & Service	March 25, 2023	Police	AAPOA	35 Years, 6 Months	Safety Services
<b>Gary Shivley</b>	Age & Service	April 7, 2023	General	AFSCME	10 Years, 5 Months	Public Services
<b>Kathleen Crum</b>	Age & Service	May 13, 2023	General	AFSCME	10 Years	Finance & Admin

#### H-5 Analysis of Page Views on Retirement System Website

##### I. TRUSTEE COMMENTS / SUGGESTIONS

##### J. ADJOURNMENT

It was **moved** by Monroe and **seconded** by Schreier to adjourn the meeting at 10:00 a.m.

**Meeting adjourned at 10:00 a.m.**

*Wendy Orcutt*

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