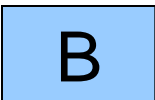


**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
November 16, 2023**



The meeting was called to order by Board Chairperson, Jeremy Flack, at 8:39 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
Greg Anderson, Voya(*Via TX, 9:00 a.m. depart*)
Joe Harrell, Voya(*Via TX, 9:00 a.m. depart*)
Paul Nacario, Innovest(*Via TX, 8:54 a.m. – 9:38 a.m.*)
Troy Jensen, Innovest(*Via TX, 8:54 a.m. – 9:38 a.m.*)
Kyli Soto, Innovest(*Via TX, 8:54 a.m. – 9:38 a.m.*)

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

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

Approved

B. APPROVAL OF MINUTES

B-1 October 19, 2023 Regular Board Meeting

It was **moved** by Monroe and **seconded** by DiGiovanni to approve the October 19, 2023 Regular Board Meeting minutes as submitted.

Approved

C. CONSENT AGENDA

C-1 Notice of Levy – Adrian Iraola

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

Approved

D. ACTION ITEMS

D-1 Annual Disability Re-Examinations

Per the Board's Policies and Procedures, disability retirees who have not met voluntary retirement age may be recalled for a medical re-examination at least once each year during the first five years after their approved disability retirement, then at least once in every three-year period thereafter.

Per the policy amendment approved on July 21, 2011, the Re-Exam policy states:

The Retirement Board shall review the files of all disability retirees twice a year to determine which retirees must undergo a medical re-examination by the Board's

Medical Director. The files shall be reviewed each May for disability retirements that commenced or had a re-examination in the prior year January through June time frame, and each November for disability retirements that commenced or had a re-examination in the prior year July through December timeframe.

The following person would qualify for a medical re-examination per the Board's policy:

DISABILITY RETIREE	DATE BOARD GRANTED DISABILITY	DATE OF LAST RE-EXAMINATION	EXECUTIVE DIRECTOR'S RECOMMENDATION FOR RE-REXAMINATION
Brent Kostanko	1/19/2023	12/12/2022	Yes

It was **moved** by Schreier and **seconded** by Monroe to direct the disability re-examination of Brent Kostanko consistent with the Board's Disability Retirement Procedures.

Approved

D-2 Summary Annual Report for Fiscal Year

Ms. Orcutt presented the Summary Annual Report for the fiscal year ended June 30, 2023. The Board reviewed and approved as submitted.

It was **moved** by Foster and **seconded** by Lynch to approve the Summary Annual Report for Fiscal Year End 6/30/2023.

Approved

D-3 Revised Corrections of Errors Policy

Ms. Orcutt presented the revised Correction of Errors Policy. The Board reviewed and approved as submitted.

It was **moved** by Foster and **seconded** by Grimes to approve the revised Corrections of Errors Policy.

Approved

D-4 Single Candidate Election

Jeremy Flack was the only employee to complete a Declaration of Candidacy Form for the 2023 Fire Member Election. Per the Board's Rules and Regulations Governing Elections of Board Trustees:

ARTICLE IV – ELECTION

A) Single Candidate Election

If only one candidate has filed the Declaration of Candidacy, the City Clerk's Office shall not hold the election. The Clerk shall notify the Board of Trustees that the candidate is unopposed. The Board, upon such notice, shall declare the unopposed candidate to be the Trustee for the designated term.

Mr. Flack's new term will begin January 1, 2024 through December 31, 2026.

It was **moved** by DiGiovanni and **seconded** by Grimes to acknowledge Mr. Flack's reappointment to the Board of Trustees effective January 1, 2024 through December 31, 2026.

Approved

D-5 2024 Board Meeting Schedule

January 18, 2024	July 18, 2024
February 15, 2024	August 15, 2024
March 21, 2024	September 19, 2024
April 18, 2024	October 17, 2024
May 16, 2024	November 21, 2024
June 20, 2024	December 19, 2024

It was **moved** by Grimes and **seconded** by Foster to approve the 2024 Board Meeting Schedule.

Approved

D-6 MAPERS One Day Seminar

Ms. Orcutt informed the Board of the upcoming MAPERS One-Day Seminar on February 29, 2024. Trustees shall let staff know if interested in attending to have registration completed.

It was **moved** by Monroe and **seconded** by Grimes to approve interested Staff or Board Members to attend the MAPERS One Day Seminar.

Approved

E. DISCUSSION ITEMS

E-1 Status Update on Record Keeper Conversion

Mr. Anderson and Mr. Harrell from Voya were present to provide a status update of the record keeper conversion noting that the transition has been smooth and continues to be on schedule. The blackout period ended November 15, 2023 and the website is now live for all members. Mr. Monroe questioned the possible addition of a brokerage account option. The Board will discuss further in 2024.

E-2 DC Plan 9/30/2023 Quarterly Review

Innovest was present to provide a quarterly review for 9/30/2023.

F. REPORTS

F-1 Executive Report – November 16, 2023

DRA CAPITAL CALLS AND DISTRIBUTIONS

DRA issued a distribution from the Growth and Income Fund IX on 10/31/23 in the amount of **\$130,123** for the Retirement System and **\$38,272** for the VEBA consisting of gain on sale, cash from operations and return of capital.

DRA issued a distribution from the Growth and Income Fund X on 11/15/23 in the amount of **\$48,988** for the Retirement System and **\$32,659** for the VEBA consisting of cash from operations netted against management fees.

ANGELO GORDON CAPITAL CALLS AND DISTRIBUTION

Angelo Gordon Direct Lending Fund IV Annex, L.P. issued a distribution in the amount of **\$ 346,891** for the Retirement System and **\$ 144,538** for VEBA on 10/31/23.

SVB DISTRIBUTION

SVB Fund VIII issued a distribution in the amount of **\$55,002** for the System and **\$13,762** for the VEBA on 10/30/23 consisting of return of capital.

AEW CORE PROPERTY DISTRIBUTIONS

AEW Core Property Trust issued distributions in the amount of **\$ 777,246** for the Retirement Plan and **\$ 103,633** for the VEBA on 11/15/23. The redemption requests in the amount of \$15,000,000 for ERS and \$2,000,000 were made in November 2022. After this distribution, \$12.8 million for ERS and \$1.7 million for VEBA remain to be redeemed.

PENSION ADMINISTRATION SOFTWARE CONVERSION

The employee self-service website is now available! The announcement was made in the A2 News on November 7 along with a User Guide which walks through the steps to register, navigate the website and run estimates. Employees can also view their 9/30/23 Accrued Benefit Statement on the website. In the coming weeks additional resources such as the annual reports and employee handbook will be added to the website.

MEETINGS AND COMMUNICATIONS WITH CITY STAFF

ED met with HR and legal on October 24, 26th 30th and November 14th to discuss personnel matters.

TRUSTEE ELECTION UPDATE

The letters for the reappointment of Tony Digiovanni and Jordan Schreier were sent to the City on October 19, 2023, and were slated for the November 6 City Council Meeting.

The term of Fire Representative Jeremy Flack expires December 31, 2023. There was no election needed this year as he ran uncontested. The new term for all will begin on January 1, 2024 and end on December 31, 2026.

STAFF OPERATIONS/UPDATE

The Pension Analyst processed 28 estimates, 4 final calculations, 2 deceased calcs, and conducted 5 pre-sessions.

ED will be out of town (working remotely) November 21 - 30.

F-2 Executive Report – MissionSquare (ICMA) Update

457 PLAN

Balance at 11/6/23 - \$ 102,060,329
Admin Allowance Balance = \$ 19,320

401A PLAN

Balance at 11/6/23 – \$ 5,528,263
Forfeiture Balance = \$ 409,782

Current Items/Education:

Transition meetings and a webinar were held the week of October 16-20. Attendance was as follows:

10/17/2023	26	City Hall
10/17/2023	5	Wheeler
10/19/2023	9	WWTP
10/20/2023	65	Webinar

A recorded webinar on the transition was posted on the Voya site as well. Mike Landolt from Voya will be holding virtual and onsite meetings on November 29th and 30th.

Employees were notified that no deferral changes could be made between November 1st - 20th due to the blackout period.

All Voya contracts and plan documents have been fully executed for all three Plans.

F-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended October 31, 2023

Maria Buffone, Accountant, submitted the Financial Report for the month ended October 31, 2023 to the Board of Trustees:

10/31/2023 Asset Value (Preliminary)	\$579,007,286
9/30/2023 Asset Value (Audited by Northern)	\$590,390,597
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$27,287,336
Percent Gain <Loss>	4.7%
November 15, 2023 Asset Value	\$593,100,757

F-4 Investment Policy Committee Minutes – None

F-5 Administrative Policy Committee Minutes – November 14, 2023

Following are the Administrative Policy Committee minutes from the meeting convened at 3:06 p.m. on November 14, 2023:

Committee Members Present: Lynch, Monroe, Praschan, Schreier
Members Absent: None
Other Trustees Present: Grimes(Via TX)
Staff Present: Buffone, Hollabaugh, Orcutt
Others Present: None

RS & VEBA ANNUAL REPORT DRAFTS

The Committee reviewed and revised the drafted annual reports. The drafts will be presented at the Board meeting.

It was **moved** by Schreier and **seconded** by Praschan to submit the RS and VEBA Summary Annual Reports as revised to the Board for approval.

APPROVED

CORRECTION OF ERRORS REVISED POLICY

The Committee reviewed the correction of errors revised policy.

It was **moved** by Lynch and **seconded** by Schreier to submit the revised correction of errors policy to the Board for approval.

APPROVED

VOYA TRANSITION UPDATE

Voya will be present at the November Board meeting to provide a transition update. The minutes from the weekly transition meetings were included for APC to review. Voya informed staff transition has been smooth and continues to remain on schedule. There are several outstanding checks that were disbursed by Mission Square. Staff will follow up with these participants.

NORTHERN TRUST RETIREE PORTAL

Northern Trust has an employee website available for retirees to access. Retirees will have access to make address changes, tax updates and view statements. Staff will work with Northern Trust to launch the website within the next few months.

DISABILITY APPLICATIONS UPDATE

Ms. Orcutt provided updates regarding the two disability applicants from October's Board meeting. Staff is awaiting response from the physician's office regarding the second applicant and an update will be shared at the November Board meeting.

ADJOURNMENT

It was **moved** by Schreier and **seconded** by Lynch to adjourn the meeting at 3:55 p.m.
Meeting adjourned at 3:55 p.m.

F-6 Audit Committee Minutes – None

F-7 Legal Report

Mr. VanOverbeke informed the Board that the Open Meetings Act has been updated and approved by the House and Senate. It is awaiting the Governor's signature. Mr. VanOverbeke will keep the Board informed on the status.

Mr. Schreier requested to review the fiduciary liability insurance policies to ensure the plans covered all Trustee responsibilities including for the 457 and Executive Plans. Staff will work with the insurance providers to obtain up to date policies and will distribute to Trustees.

G. INFORMATION (Received & Filed)

G-1 Communications Memorandum

G-2 November 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	Laura Hollabaugh	\$139.74	DTE Electric Reimbursement 9/13/2023-10/11/2023
2	Laura Hollabaugh	\$21.75	DTE Gas Service Reimbursement 9/13/2023-10/11/2023
3	Loomis Sayles	\$36,002.46	Investment Manager Fee Q3 2023
4	MedSource	\$1,200.00	Disability Exam: Montgomery
5	MedSource	\$1,800.00	Disability Exam: Morrow
6	Milliman	\$5,777.50	Marc Implementation & Licensure Fee
7	Rhumblin	\$16,841.00	Investment Manager Fee Q3 2023 (HEDI)
8	Wendy Orcutt	\$1,741.34	NAGDCA Conference Travel Reimbursement
9	American Express	\$2,532.04	Kroger, IFEBP Membership, Panera Bread, Office Cleaning, USPS, Culligan
10	Applied Innovation	\$75.04	Printing 10/2023
11	Meketa	\$10,000.00	Investment Consulting 10/2023
	Total	\$76,130.87	

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
Roman Morrow	Disability	August 18, 2023	Police	AAPOA	11 Years, 1 Month	Safety Services
Andrew Box	Age & Service	November 11, 2023	Fire	ASSTCHIEFS	26 Years 3 Months	Safety Services
Michele Gillyard	EDRO Recipient	November 1, 2023	N/A	N/A	N/A	N/A
Jaime Crawford	Age & Service	January 27, 2024	Police	COAM	25 Years	Safety Services
Michael Culpepper	Age & Service	December 13, 2023	General	TEAMSTERS	24 years, 3.5 Months	Public Services

G-5 Analysis of Page Views on Retirement System Website

H. TRUSTEE COMMENTS / SUGGESTIONS

Mr. Monroe questioned the status of the federal tax changes and when to notify retirees. Staff is awaiting for updates from Northern Trust and will notify Retirees once changes have been confirmed.

I. ADJOURNMENT

It was **moved** by Monroe and **seconded** by Lynch to adjourn the meeting at 9:58 a.m.
Meeting adjourned at 9:58 a.m.

Wendy Orcutt

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