

Minutes
Employee's Retirement System Board of Trustees
May 9, 2018
Quarterly Meeting

Call to Order: Chair Angeline Lavin called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Matthew Adamson
Cathy Bianchi
Donn Hill
James Larson
Angeline Lavin
Amy Richardson
Lon Tiggelaar

Board Members Absent: None

Staff Members Present: Tracy Turbak, Director of Finance
Diane Best, Assistant City Attorney
Thomas Huber, Assistant Director of Finance
Angie Uthe, Compensation & Benefits Manager
Kathy Pottebaum, Payroll/Benefits Specialist

Others present: Firefighters' Pension Fund Board of Trustees members: Randy Farland, Mark Sivertson & Tyler Stewart
Howard Pohl, AndCo Consulting
Louise Gates, Gabriel Roeder Smith & Company

The Employee's Retirement System Board of Trustees and the Firefighters' Pension Fund Board of Trustees met in joint session.

A motion was made by Adamson, seconded by Larson, to approve the February 14, 2018 meeting minutes. Motion carried unanimously.

A motion was made by Richardson, seconded by Bianchi, to approve the March 1, 2018 meeting minutes. Motion carried unanimously.

Howard Pohl presented the Board with the 2018 first quarter performance report. The performance in the quarter of -0.7% ranked below median versus all plans within the AndCo Consulting plan universe and just below the policy benchmark. The annual 10.9% return was top third and above the policy bogey, while the five year 9.0% ranked in the top decile and beat the policy. The market value of the Fund decreased from \$466.1 million to \$462.6 million in the quarter.

Tom Huber reviewed the Investment Allocations and Manager Structure. There were no recommended changes or actions as progress continues to be made in bringing allocations into the new target ranges.

Howard Pohl presented the Mid Cap Core Equity Manager Analysis completed by AndCo.

A motion was made by Larson, seconded by Adamson, to invite Champlain Investment Partners and Quantitative Management Associates to the August 2018 meeting. Motion carried unanimously.

Louise Gates presented the board with the December 31, 2017 Annual Actuarial Valuation. The report indicated that the combined general and police divisions had an actuarial value funded ratio of 102.3% for pension benefits as of December 31, 2017. This ratio reflects the impact of strong investment results in 2017, closing the retiree health plan and implementing the stipend for any member that retires on or after 1/1/14.

The results of the valuation identified the City's 2019 pension contribution of \$6,081,203 for the general division and \$3,930,360 for the police division.

A motion was made by Larson, seconded by Richardson, to accept the 2017 Annual Actuarial Valuation. Motion carried unanimously.

Tom Huber presented the Board with the 2017 Annual Financial Fund Statement which is prepared in accordance with Generally Accepted Accounting Principles (GAAP), is audited as part of the City's independent annual audit, and published as part of the City's Comprehensive Annual Financial Report. The GAAP reports showed an increase in net assets from \$385.5 million to \$469.4 million for the year ending December 31, 2017.

A motion was made by Bianchi, seconded by Hill, to accept the 2017 Annual Financial Fund Statement. Motion carried unanimously.

Uthe presented the board with the 2017 pension logs, which reports all retirements, stipends, refunds, deferred retirements, and deaths of plan members in the general and police divisions.

A motion was made by Richardson, seconded by Bianchi, to accept the 2017 pension logs for both divisions. Motion carried unanimously.

A motion was made by Larson, seconded by Richardson, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 11:12 a.m.

Respectfully submitted,
Angie Uthe, Recording Officer