

**Minutes
Employee's Retirement System Board of Trustees
May 4, 2022
Quarterly Meeting**

Call to Order: Chair Amy Richardson called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at City Hall.

Board Members Present: Matthew Adamson
Nick Butler
Donn Hill
Kristin Lobien
Amy Richardson
Mark Sivertson

Board Members Absent: Ben Kyte

Staff Members Present: Bill O'Toole, Director of Human Resources
Shawn Pritchett, Director of Finance
Thomas Huber, Assistant Director of Finance
Angie Uthe, Assistant Director of Human Resources
Kathy Pottebaum, Payroll/Benefits Specialist
Sam Stanforth, Business Analyst

Others present: Firefighters' Pension Fund Board of Trustees members: Darin Cox, Ryan Cox, Loren Koepsell & Angeline Lavin
Peter Brown, AndCo Consulting
Louise Gates, GRS Consulting

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

Chairperson Richardson provided an opportunity for any public to address the Board. No comments received.

A motion was made by Adamson, seconded by Lobien, to approve the February 2, 2022 meeting minutes. Motion carried unanimously.

Louise Gates presented the board with the December 31, 2021 Annual Actuarial Valuation. The report indicated that the plan had an actuarial funded ratio of 115.6% as of December 31, 2021. The results of the valuation identified the City's 2023 pension contribution of \$5,636,841 for General/Management members and \$3,713,881 for Police members for a total of \$9,350,722.

A motion was made by Sivertson, seconded by Adamson, to accept the 2021 Actuarial Valuation Report. Motion carried unanimously.

Tom Huber presented the Board with the 2021 Annual Financial Statements which are prepared in accordance with Generally Accepted Accounting Principles (GAAP), are

audited as part of the City's independent annual audit, and published as part of the City's Comprehensive Annual Financial Report. The year-end statements showed an increase in net assets from \$569.8 million to \$635.9 million for the year ending December 31, 2021.

A motion was made by Lobien, seconded by Sivertson, to accept the 2021 Annual Financial Fund Statement. Motion carried unanimously.

Angie Uthe presented the board with the 2021 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 Adamson, seconded by Lobien, to accept the 2021 pension logs for both divisions. Motion carried unanimously.

Peter Brown presented the Board with the March 31, 2022 first quarter total fund performance and rank to the total plan universe as follows: Quarter -4.80% (52), 1 year 5.41% (27), 5 year, 9.85% (16), and 10 year 9.52% (9). The market value of the Fund decreased from \$644.2 million to \$612.9 million in the quarter.

Peter Brown also presented the Boards with alternative investment management for the Funds international developed markets mandate and recommended the Boards select new management for this mandate. Review and discussion followed.

A motion was made by Lobien, seconded by Adamson, to replace the Franklin Templeton TIF International Value Fund with Dodge & Cox International Stock Fund, to decrease the emerging markets target allocation to 4.5%, to increase the developed international target range for both growth and value to 8.75%, to adjust the allocation range on international developed markets from 12% - 20% to 12% - 22%, and to complete a rebalancing to these established targets. Motion passed unanimously.

Tom Huber reviewed the Investment Allocations and Manager Structure. Changes will be implemented pursuant to the motion on target allocations within international equities.

A motion was made by Sivertson, seconded by Adamson, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 10:40 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer