

**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
November 20, 2025**

B

The meeting was called to order by Board Chairperson, Jeremy Flack, at 8:37 a.m.

ROLL CALL

Members Present: DiGiovanni, Flack, Foster, Grimes, Lynch, Nerdrum (*Via TX*), Praschan, Schreier, Toth
Members Absent: None
Staff Present: Buffone, Gustafson, Lieder, Orcutt (*Via TX*)
Others: Michael VanOverbeke, Legal Counsel
Len Goff, Voya Financial (*Via TX, Arrived at 9:00am, Departed at 9:15am*)
Troy Jensen, Innovest (*Arrived at 9:03am, Departed at 9:46am*)

AUDIENCE COMMENTS

A. APPROVAL OF AGENDA

It was **moved** by Foster and **seconded** by Lynch to approve the agenda as submitted.
Approved

B. APPROVAL OF MINUTES

B-1 October 16, 2025 Regular Board Meeting

It was **moved** by Foster and **seconded** by Nerdrum to approve the October 16, 2025 Regular Board Meeting minutes as submitted.
Approved

C. CONSENT AGENDA

C-1 Reciprocal Retirement Act – Service Credit

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

WHEREAS, the Board of Trustees acknowledges that, effective July 14, 1969, the City of Ann Arbor adopted the Reciprocal Retirement Act, Public Act 88 of 1961, as amended, to provide for the preservation and continuity of retirement system service credit for public employees who transfer their employment between units of government, and

WHEREAS, the Board acknowledges that a member may use service credit with another governmental unit to meet the eligibility service requirements of the Retirement System, upon satisfaction of the conditions set forth in the Reciprocal Retirement Act, and

WHEREAS, the Board is in receipt of requests to have service credit acquired in other governmental unit retirement systems recognized for purposes of receiving benefits from the Retirement System, therefore be it

RESOLVED, that the Board of Trustees hereby certifies that the following member(s) of the Retirement System have submitted the requisite documentation for the recognition of

reciprocal retirement credit:

Name	Classification	Plan	Reciprocal Service Credit	Prior Reciprocal Retirement Unit
Jasmine Isaac-Ofori	Public Services	DUAL	1 Year, 6 Months	Jackson County

RESOLVED, that the Board of Trustees notes that pursuant to the Reciprocal Retirement Act, said reciprocal retirement credit may only be used for purposes of meeting the retirement eligibility requirements of the Retirement System and that retirement benefits will be based upon actual service rendered to the City and shall be made payable consistent with the City Charter, applicable collective bargaining agreements, Retirement System policies/procedures, and applicable laws (specifically, MCL Public Act 88 of 1961, as amended), and further

RESOLVED, that a copy of this resolution shall be provided to the appropriate City and Union representatives and interested parties.

C-2 Capitol Group American Funds EUPAC Board Appointments Proxy Memo

It was **moved** by Foster and **seconded** by Lynch to approve the consent agenda as presented.

Approved

D. ACTION ITEMS

D-1 Annual Disability Re-Examination

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-EXAMINATION
Roman Morrow	10/19/2023	2/11/2025	Yes

It was **moved** by Toth and **seconded** by Grimes to direct the disability re-examination of Roman Morrow consistent with the Board's Disability Retirement Procedures.

Approved

D-2 Summary Annual Report for Fiscal Year End 6/30/2025

Ms. Orcutt presented the Summary Annual Report for the fiscal year ended June 30, 2025. The Board reviewed and approved as submitted.

It was **moved** by Grimes and **seconded** by Lynch to approve the Summary Annual Report for Fiscal Year End 6/30/2025.

Approved

D-3 2026 Board Meeting Schedule

January 15, 2026	July 16, 2026
February 19, 2026	August 20, 2026
March 19, 2026	September 17, 2026
April 16, 2026	October 15, 2026
May 21, 2026	November 19, 2026
June 18, 2026	December 17, 2026

It was **moved** by Grimes and **seconded** by Schreier to approve the 2026 Board Meeting Schedule.

Approved

D-4 401a Dual Plan Staff Time Reimbursement Request QTR End 9/30/2025

Ms. Orcutt presented the 401a Dual Plan Staff Time Reimbursement Request for Quarter End 9/30/2025.

D-5 401 Exe Plan Staff Time Reimbursement Request QTR End 9/30/2025

Ms. Orcutt presented the 401 Executive Plan Staff Time Reimbursement Request for Quarter End 9/30/2025.

D-6 457b Plan Staff Time Reimbursement Request QTR End 9/30/2025

Ms. Orcutt presented the 457b Plan Staff Time Reimbursement Request for Quarter End 9/30/2025.

It was **moved** by Foster and **seconded** by Toth to approve the DC Plan Staff Time Reimbursement Requests for Quarter End 6/30/2025.

Approved

D-7 Resolution to Invest in the Neuberger Berman Private Debt Eagle Fund

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retirement System, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those₃ matters would use in the conduct of a similar

enterprise with similar aims; and

WHEREAS, Meketa as the Retirement System's investment consultant, the Investment Policy Committee (IPC), and the Board of Trustees have discussed an allocation to Private Debt which has a policy target of 7%, and

WHEREAS, potential Private Debt managers and the pacing study were discussed by Meketa and the IPC on October 7th and November 3rd, and

WHEREAS, Meketa and the Investment Policy Committee have recommended an investment in the Neuberger Berman Private Debt Eagle Fund, so be it,

RESOLVED, that the Board of Trustees approve the investment in the Neuberger Berman Private Debt Eagle Fund, with a total commitment in the amount of \$ 12 million, pending review of investment management documents by the Board's legal counsel and any recommended additional due diligence.

It was **moved** by Foster and **seconded** by Toth to approve the investment in the Neuberger Berman Private Debt Eagle Fund, with a total commitment in the amount of \$ 12 million.

Approved

D-8 DB Investment Consultant Recommendation and Decision

Ms. Orcutt and the Board discussed the DB investment consultant recommendation from IPC to retain Meketa as the System's investment consultant. Ms. Orcutt mentioned that if the Board would like to have Meketa on site more often that it should be added into the contract as they have only been onsite once so far this calendar year. The Board stated that they think 3-4 times per year would be preferable. Ms. Orcutt also noted that she will discuss the service expectations with them and ask them to be more proactive.

It was **moved** by Flack and **seconded** by DiGiovanni to retain Meketa as the System's investment consultant including the parameters and pricing that was discussed.

Approved

E. DISCUSSION ITEMS

E-1 Voya DC Plan 9/30/2025 Quarterly Review

Mr. Goff from Voya was present to provide the quarterly review for 9/30/2025. Highlights include current plan statements for the 457b, 401a, and 401 executive plans and participant engagement.

It was **moved** by Foster and **seconded** by Grimes to receive and file Voya's DC Plan 9/30/2025 Quarterly Review.

Approved

E-2 Innovest DC Plan 9/30/2025 Quarterly Review

Mr. Jensen from Innovest was present to provide the quarterly review for 9/30/2025. Highlights include fiduciary responsibilities, CITs, forfeiture accounts, alternative asset classes for DC plan investors, and performance results for all three plans.

It was **moved** by Grimes and **seconded** by Foster to receive and file Innovest's DC Plan 9/30/2025 Quarterly Review.

Approved

E-3 2026 Proposed Board Retreat Dates

The Board discussed scheduling of the Board Retreat and decided to plan for April 16, 2026. The event will be held at Weber's.

F. REPORTS

F-1 Executive Report – November 20, 2025

ARBORETUM CAPITAL CALLS

Arboretum Ventures requested a capital call of our commitment to Fund V in the amount of **\$ 248,000** for the Retirement Plan and **\$ 62,000** for VEBA on 10/30/25 to fund investments and pay fees. With these installments, **CAAERS** will have funded 93.3% of our total commitments of \$8,000,000 for the Retirement Plan and \$2,000,000 for the VEBA.

ANGELO GORDON CAPITAL CALLS AND DISTRIBUTION

Angelo Gordon Direct Lending Fund IV Annex, L.P. issued a distribution in the amount of **\$ 382,194** for the Retirement System and **\$ 159,247** for VEBA consisting of return of capital on 10/24/2025.

CONSTITUTION CAPITAL CALLS AND DISTRIBUTIONS

Ironsides Partnership Fund V, L.P. issued a distribution in the amount of **\$ 221,630** for the Retirement System and **\$ 73,876** for VEBA consisting of callable capital netted against expenses and management fees on 10/23/2025.

MESIROW CAPITAL CALL

Mesirow Financial Private Equity Fund VIII-A, L.P. requested a capital call in the amount of **\$400,000** for the Retirement Plan and **\$120,000** for the VEBA on 11/19/2025. With these installments, **CAAERS** will have funded 73.5% of our total commitments of \$10,000,000 for the Retirement Plan and \$3,000,000 for the VEBA.

DRA CAPITAL CALLS AND DISTRIBUTIONS

DRA issued a distribution from the Growth and Income Fund X on 11/14/25 in the amount of **\$ 75,653** for the Retirement System and **\$ 50,436** for the VEBA consisting of return of capital, gain on sale, and cash from operations netted against management fees.

STAFF OPERATIONS/MISCELLANEOUS

The Pension Analyst processed 17 estimates, 2 final calcs, 2 deceased calcs, 8 non-vested calcs, 2 payouts, and conducted 3 pre-sessions.

F-2 Executive Report – Voya Update

Voya Update – November 20, 2025

457 PLAN - Balance at 11/13/2025 - \$ 125,443,000

Admin Allowance \$ 18,362

Participation Rate	54%
Average \$ Deferral	\$259
Average % Deferral	9%
Investment Diversification	87%

401A PLAN – Balance at 11/13/2025 - \$ 12,218,000

Forfeiture Balance \$ 163,517

401A Executive PLAN – Balance at 11/13/2025 - \$ 1,196,800

Forfeiture Balance \$ 1,073

Current Items/Education:

During the month of October, Mike had 5 in person meetings, no zoom meetings and 6 phone calls. Mike Landolt will be onsite again December 10th and 11th.

401 and 457 Force Outs – 2025

This process will be started later this month with distributions/rollovers to occur in early 2026. As of today, we are still waiting on the reports to be generated from Voya for staff review.

401 and 457 RMD – 2025

Voya sent reports for all 3 plans on 10/23 which were reviewed by staff to ensure addresses were current.

Future Items/Education:

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

Mandatory Roth Catch Up Audit – January 2026

360 Integration with Payroll

F-3 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended October 31, 2025

Ms. Orcutt submitted the Financial Report for the month ended October 31, 2025 to the Board of Trustees:

10/31/2025 Asset Value (Preliminary)	\$696,116,882
9/30/2025 Asset Value (Audited by Northern)	\$697,278,927

Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$2,720,504
Percent Gain <Loss>	0.4%
November 19, 2025 Asset Value	\$686,141,176

F-4 Investment Policy Committee Minutes – November 3, 2025

Following are the Investment Policy Committee minutes from the meeting convened at 3:05 p.m. on November 3, 2025:

Member(s) Present: DiGiovanni, Foster, Praschan, Toth
Member(s) Absent: Flack
Other Trustees Present: None
Public Present: None
Staff Present: Buffone (Via TX), Gustafson, Lieder, Orcutt (Via TX)
Others Present: Henry Jaung, Meketa Investment (Via TX, Departed at 4:24pm)
Keith Beaudoin, Meketa Investment (Via TX, Departed at 4:24pm)
John McCarthy, Meketa Investment (Via TX, Departed at 3:46pm)

ECONOMIC AND MARKET UPDATE AS OF SEPTEMBER 30, 2025

Mr. Jaung and Mr. Beaudoin provided an economic update noting in the third quarter, most stock and bond markets delivered positive returns, benefiting from renewed interest rate cuts from the Federal Reserve, continued strong artificial intelligence demand and investment, and overall solid corporate earnings. Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will tariff pressures eventually show up in inflation, can earnings growth remain resilient in the US, will the recent rotation into small cap stocks continue, and how will China's economy and relations with the US track.

EXECUTIVE SUMMARY

Recap: The total market value of the two plans surpassed the \$1 Billion mark as of the end of August.

The market value of the ERS was \$697 million at the end of September 2025. The performance for September, FYTD, and YTD were 1.6%, 3.9% and 10.6% respectively.

Over the past 3, 5, 7, and 10 years, the ERS has returned 12.7%, 9.7%, 8.9% and 9.0% exceeding its actuarial target return of 6.7%.

As of September 30th, the system has ranked in the top twenty (20) percent in the 5 and 7 trailing years and top 26th percent in ten (10) years amongst its peer group.

The market value of the VEBA was \$317 million at the end of September 2025. The performance for September, FYTD, and YTD were 1.6%, 4.1%, and 10.6% respectively.

Over the past 3, 5, 7, and 10 years, the VEBA has returned 13.0%, 8.8%, 8.2% and 8.6%, also exceeding its actuarial target of 6.7%.

As of September 30th, the VEBA has ranked in the top five (5) percent in the 5, 7,

and 10 trailing years amongst its peer group.

RETIREMENT SYSTEM

Act 314 Compliance Review: All investments are currently in compliance.

September 30, 2025, Performance Update: As of September 30, 2025, the balance of the Funds was \$697,328,084 for ERS. Fiscal Year to Date performance was 3.9% for ERS net of fees.

VEBA

Act 314 Compliance Review: All investments are currently in compliance.

September 30, 2025, Performance Update: As of September 30, 2025, the balance of the Funds was \$317,189,352 for VEBA. Fiscal Year to Date performance was 4.1% for VEBA net of fees.

PRIVATE CREDIT MANAGER SEARCH

Mr. McCarthy provided overviews of the Neuberger Berman and Blue Owl private credit funds. Relative strengths and weaknesses were highlighted for each manager. The Committee had questions regarding the two (2) managers, specifically how the money would be invested with options to withdraw or carry over for another committed term.

It was **moved** by Foster and **seconded** by Toth to recommend to the Board to invest \$12 Million for ERS and \$6 Million for VEBA with Neuberger Berman.

Approved

INVESTMENT CONSULTANT FINALIST INTERVIEWS DISCUSSION

[Meketa was dismissed at 4:24 p.m.]

Ms. Orcutt and the Committee discussed the Investment Consultant RFP. Prior to the meeting, follow up information on both Graystone and Meketa had been provided to the IPC. Ms. Orcutt met with Meketa subsequent to the interviews at the last Board meeting to ask some follow up questions posed by the Board. Ultimately, Meketa sent an email which included a price reduction for their services. Ms. Orcutt noted that if the IPC decides to recommend Meketa, she suggests detailing some parameters in writing such as in person attendance and an improvement in administrative support. This calendar year Meketa has only been in Ann Arbor for the retreat in April.

It was **moved** by Foster and **seconded** by Toth to recommend to the Board to remain with Meketa as the System's DB investment consultant.

Approved

FUTURE MEETING

The next meeting was scheduled for Monday, December 1, 2025, at 3:00 p.m.

ADJOURNMENT

It was **moved** by Praschan and **seconded** by Foster to adjourn the meeting at

5:00 p.m.

Meeting adjourned at 5:00 p.m.

F-5 Administrative Policy Committee Minutes – November 12, 2025

Following are the Administrative Policy Committee minutes from the meeting convened at 3:06 p.m. on November 12, 2025:

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

DC PLANS STATUS UPDATE

Stock Split Notification from Voya: Ms. Orcutt informed the Committee about a recent stock split in the Dodge and Cox fund. It would not change the fees or share class of the stock. Staff was advised that if any participants contact the office regarding this to refer them to Voya with questions. There are approximately 200 participants that have investments in this fund.

RMD for 2025: Ms. Orcutt discussed the required minimum distributions (RMD) reports Voya sends the System every year. For all three (3) plans there are around fifty (50) people in total this year that will be required to take a distribution. The System verifies the addresses Voya has versus what the System has on file to identify any discrepancies.

Force-Out Reports: Ms. Orcutt added this item to the agenda. Voya is still processing the Small balance force-out reports to send to the System. The report is expected to arrive within the next week or so and the staff can begin work on that project.

DC PLANS STAFF TIME FOR QTR END 9/30/25

The Committee reviewed the Quarter End 9/30/2025 DC plans staff time reimbursement requests for all three plans.

*It was **moved** by Lynch and **seconded** by Praschan to approve the DC Plans Staff time reimbursement requests to Voya for the 457, 401a Executive Plan and the 401a Dual Plan for quarter end 9/30/2025.*

APPROVED

401 EXECUTIVE PLAN EXPENSES

Ms. Orcutt discussed that the Executive plan will soon be out of forfeitures to cover any future expenses. Due to having no participant fee and not enough forfeitures to cover expenses, the System is requesting to be reimbursed by the City annually to cover those expenses. The estimated amount to be reimbursed would likely be less than \$5,000 annually. Ms. Praschan does not see an issue with the City being able to reimburse that amount.

401A DUAL PLAN EXCESS FORFEITURES FOR CITY USAGE

Ms. Orcutt discussed the current 401 Dual plan excess forfeitures. Staff will send a summary of the oldest forfeitures including the employee name and amount to the payroll department who utilizes those amounts to offset contributions. The System is retaining ample amounts to cover the entire FY2026 expenses if needed. At this time, the amount being sent to the City for offsets will be approximately \$108,000.

ERS SUMMARY ANNUAL REPORT

The Committee reviewed the drafted ERS annual report. The draft will be presented at the Board meeting for approval.

It was ***moved*** by Lynch and ***seconded*** by Praschan to submit the ERS Summary Annual Report to the Board for approval.

APPROVED

VEBA SUMMARY ANNUAL REPORT

The Committee reviewed the drafted VEBA annual report. The draft will be presented at the Board meeting for approval.

It was ***moved*** by Lynch and ***seconded*** by Praschan to submit the VEBA Summary Annual Report as to the Board for approval.

APPROVED

DECEMBER APC MEETING DATE

Ms. Orcutt and the Committee agreed to hold the next Administrative Policy Committee meeting on December 9, 2025, at 3:00 p.m. at the Pension office.

ADJOURNMENT

It was ***moved*** by Praschan and ***seconded*** by Lynch to adjourn the meeting at 3:28 p.m.
Meeting adjourned at 3:28 p.m.

F-6 Audit Committee Minutes – None

F-7 Legal Report

Mr. VanOverbeke provided an update on Katie Hall's overpayment. The System received a default judgement in their favor. Collections will be the next step. The Board agreed to allow Mr. VanOverbeke to interview three (3) collections firms. The Board is agreeable to the terms if the collection's agency receives a percentage of the amount they are able to procure from Ms. Hall's overpayment.

G. INFORMATION (Received & Filed)

G-1 Communications Memorandum

G-2 December 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	Rehmann	\$3,100.00	RS Audit 6/30/2025 Payment 2
2	Loomis Sayles	\$46,380.45	Investment Manager Fee 7/1/2025-9/30/2025
3	Rhumblin - HEDI	\$18,264.00	Investment Manager Fee 7/1/2025 to 9/30/2025
4	Milliman	\$3,612.83	MARC Licensure/MFA 257 - 9/2025
5	American Express	\$828.04	Ice, Board Food, SJ Cleaning (2), Kroger
6	Michael Lieder (DTE Electric)	\$124.31	Electric 9/12/2025 to 10/10/2025 (Reimbursement to M.Lieder)
7	Michael Lieder (DTE Gas)	\$16.68	Gas 9/12/2025 to 10/10/2025 (Reimbursement to M.Lieder)
8	Wendy Orcutt	\$713.32	October Office Visit
9	West Arbor Condo Association	\$367.00	Condo Association Dues 12/2025
	Total	\$73,406.63	

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
Joseph Cabrera	Age & Service	11/15/2025	General	AFSCME	17 Years & 0.5 Months	City Administrators
Rebecca Evans	Deferred Age & Service	12/1/2025	General	NON UNION	6 Years & 1 Month	City Attorneys

G-5 Analysis of Page Views on Retirement System Website

H. TRUSTEE COMMENTS / SUGGESTIONS

Ms. Grimes recommends new trustees to attend the fiduciary training for new trustees affiliated with the NCPERS Annual Conference which will be held in Las Vegas, Nevada in 2026. She found it very educational.

I. ADJOURNMENT

It was **moved** by Foster and **seconded** by Grimes to adjourn the meeting at 10:01 a.m.
Meeting adjourned at 10:01 a.m.

Wendy Orcutt

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