8:00 AM - Meeting Called to Order

Roll Call

Chairperson            David McConico            Present
Legislative Members    Helen DiBartolomeo      Present
                        Cliff Haight            Excused
                        Michelle Reding         Present
                        Sue Sandstrom           Present
                        Trevor Vaughn          Present

Nonvoting Members      Janice Napper (for the City Manager)   Excused
                        Jackie Ehmann for Terri Velasquez (Finance)  Present
                        Dianna Giordano (Human Resources)         Present
                        Hans Hernandez (City Attorney)         Present

Staff                  Steve Shanks           Present
                        Aaron Kahn             Present

5) Approval of Retirement Benefits

Aaron Kahn presented one retirement calculation. Michelle Reding made, and Trevor Vaughn seconded, a motion to approve retirement benefits for Linda Doporto. The motion passed unanimously.

1) 1st Quarter 2019 Performance Report
    Alex Browning, Callan Associates

Alex Browning reviewed the economy and 1st quarter performance. The Plan earned 7.10% for the quarter and 4.29% for the year ending March 31, 2019. Active management detracted 1.91% from returns for the year, with much of the underperformance attributable to the value style of GERP equity managers.

Trevor Vaughn asked Alex Browning about Molpus, which has significantly underperformed their index. Alex encouraged the Board to invite Molpus to a meeting to address the Board’s concerns.

2) Morgan Stanley Prime Property Fund (Private Real Estate)
    Josh Meyerberg
The Morgan Stanley Prime Property Fund is open-end commingled real estate fund designed to provide stable, income-driven return over the long term. The fund focuses on high quality office, class A apartments, warehouses in major distribution markets, and top tier regional malls. The PRIME fund has consistently outperformed the NCREIF Index, and gross returns have exceeded 8% in 34 out of 45 calendar years.

Morgan Stanley Prime Property Fund has a return for the 1st Quarter of 1.27% and a return of 7.19% for the year ending March 31, 2019.

3) **Heitman America Real Estate Trust (Private Real Estate)**
   John Mancuso and Blaise Keane (by phone)

Heitman American Real Estate Trust is an open-end core strategy which invests in high quality, income generating strategies using well researched, low risk strategies with a conservative leverage strategy. Heitman’s well-leased, high quality portfolio has had 33 consecutive quarters of income return outperformance. The appreciation component of returns has underperformed the ODCE. As of March 31, 2019, the HART time weighted annualized return, since inception June 18, 2012 is 10.98% gross and 9.83% net.

Heitman America Real Estate Trust has a return for the 1st Quarter of 1.29% and a return of 5.72% for the year ending March 31, 2019.

4) **Cohen & Steers Capital Management (Global REITs)**
   Evan Serton and Erin Berry

Cohen & Steers Collective Investment Trust Global Realty Fund uses extensive research and stock selection to consistently outperform their index. Evan Serton noted that REITs are currently valued fairly compared to equities and fixed income and are attractive versus non-listed real estate. Real estate correlations and volatility are at 20 year lows.

Cohen & Steers Global REIT had a return for the 1st Quarter of 14.84% and a return of 13.61% for the year ending March 31, 2019.

5) **Board Discussion on Investment Performance**

Alex Browning noted that Heitman and Morgan Stanley complement one another. Board members discussed educational opportunities including a discussion on illiquidity of certain assets, demographics, and would like Callan to be a part of discussions after the Actuarial Experience Study.

Trevor Vaughn moved, and Michelle Reding seconded a motion to adjourn. The motion passed unanimously.
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Meeting Adjourned at 11:00 AM
Minutes Submitted by Aaron D. Kahn

Minutes Approved

[Signature]
David L. McConico
Chairperson of the Board

Date
6/19/19