

ADAMS COUNTY RETIREMENT BOARD MEETING

**MINUTES - REGULAR MEETING
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE ROOM, SUITE C3414
BRIGHTON, COLORADO 80601-8202**

MARCH 5, 2013

BOARD MEMBERS PRESENT

Joe Pacyga – Chairman
Ben Dahlman – Vice-Chairman
Michael McIntosh – Secretary
Marlise Bruno

BOARD MEMBERS EXCUSED

Brigitte Grimm –Treasurer

ADMINISTRATIVE STAFF

Pamela Mathisen, Executive Director
Debbie Haines, Senior Benefits Manager (Corresponding Secretary)

ACTUARIAL STAFF

Gabriel Roeder & Smith – Leslie Thompson

LEGAL COUNSEL

Davis Graham & Stubbs, LLP – Cindy Birley

INVESTMENT CONSULTANTS

Watershed Investment Consultants – Dale Connors
Watershed Investment Consultants – Ed Zablan

OTHER ATTENDEES

Rangeview Library District – Susan Dobbs

Called to Order: 1:28 P.M.

Mr. Pacyga welcomed Ms. Bruno as the newest Board member to the Adams County Retirement Plan. Ms. Bruno commented that she was thrilled to be back working with the staff, Board members and associates of the Adams County Retirement Plan.

SPECIAL PRESENTATION

None

EXECUTIVE SESSION

Pursuant to C.R.S. Sections 24-6-402(4)(b) - "Pension Benefit Payments" – Move to Last Order of Business
Pursuant to C.R.S. Sections 24-6-402(4)(f)(I) - "Personnel Matters" – Move to Last Order of Business

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

Ms. Haines commented that prior to the Board meeting Mr. Dahlman requested minor corrections to the Board meeting minutes for February 5, 2013.

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes, **As Amended – February 5, 2013**

Moved by Board Member – Mr. McIntosh
Seconded by Board Member – Mr. Dahlman

Unanimously carried

Approval of Termination Report – February 2013

**Approval of Money Manager Fund Totals and US Bank Summary Reports – Amended, December 2012
January 2013**

Approval of Administrative Expenditures – March 5, 2013

Expenditures - \$ 71,593.31
February Paid Expenditures \$ 415.80

Moved by Board Member – Mr. McIntosh
Seconded by Board Member – Mr. Dahlman

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

Watershed Investment Consultants, Inc. – Dale Connors & Ed Zablan Small/Mid Cap Equity Manager Search

Mr. Connors presented an overview of three potential candidates in the Small/Mid Cap Equity Managers search to replace Thompson, Siegel & Walmsley(TSW). He indicated that TSW invests in small cap and these three potential replacements focus on small/mid markets. Mr. Zablan continued by giving an overview of each of the three candidate managers.

Integrity SMID Value Equity

On December 31, 2010, Munder Capital acquired Integrity Asset Management making Integrity a wholly owned subsidiary of Munder Capital Management, which is an independent, privately owned investment advisory firm legally structured as a Delaware general partnership. The objective of the Smid Value Equity strategy is to provide capital appreciation by investing in a diversified portfolio of small to mid capitalization stocks with low price-to cash-flow, price-to book and price-to sales ratios. The investment team is structured so that portfolio managers also function as research specialist within their respective sectors.

Janus Small/Mid Cap Growth

Janus Capital Group, Inc. (NYSE: JNS) is a publicly owned investment firm headquartered in Denver, Colorado. It provides growth and risk-managed investment strategies and manages equity, fixed income, money market, and balanced mutual funds. Fundamental research is the foundation of Janus' investment style. The strategy invests in equity securities of small and medium sized companies or those companies generally with a market capitalization of less than \$10 billion.

Pyramis Small/Mid Cap Core

FMR LLC ("Fidelity") established Pyramis Global Advisors ("Pyramis") in 2005 as a separate business unit to focus on institutional clients. The Pyramis group of companies is wholly owned by Fidelity under Pyramis Global Advisors Holdings Corp. Fidelity is a privately held company whose shares are principally owned by officers and senior employees of Fidelity and members of their families. The Johnson family members, by virtue of their ownership and control of Series B Voting Common Shares of Fidelity, control 49% of the voting power of Fidelity shares. Smid Core Equity is a risk controlled discipline that capitalizes on Pyramis' fundamental research and qualitative stock selection.

After discussion and recommendation by Watershed Investment Consultants the Board decided to hire Pyramis Small/Mid Cap Core and Janus Small/Mid Cap Growth.

Mr. McIntosh moved to hire Pyramis Small/Mid Cap Core moving \$5 million from Thompson Siegel & Walmsley and the remaining funds to Janus Small/Mid Cap Growth subject to document review by legal counsel. Mr. Dahlman seconded the motion and it was unanimously carried.

Retirement Board Discussion – Investment Consultant vs. Discretionary Advisor

Ms. Mathisen indicated that in 2012 the Board had a discussion regarding Investment Consultants vs. Discretionary Advisors. The Board tabled the topic until the March 2013 Board meeting.

Ms. Mathisen indicated that she provided the Board information on what could happen if they outsourced their investment consultant. She also provided a copy of fees for discretionary advisors services. After discussion the Board will readdress this topic at the July 2013 Board meeting, when they have vendor reviews.

Recess at 2:44 P.M.

Reconvened at 2:53 P.M.

STANDING REPORTS

Watershed Investment Consultants, Inc. – Dale Connors Investment Updates – Performance Update

Mr. Connors indicated that January 2013 was unbelievably strong and the Adams County Retirement Plan ended at \$203,451,196 for the month. He stated that in January the Plan made \$5.1 million. Mr. Connors indicated that thru Friday, March 1, 2013, the S&P was up 7.4%, Non-US stocks were up 7.3%. He finished by stating that the Plan is off to a good start.

Davis Graham & Stubbs, LLP Legal Information Updates

None

Retirement Staff – Administrative Business Administrative Updates

PensionGold National User's Group Conference April 11 & 12, 2013, Austin, Texas

Ms. Mathisen indicated that she will be attending the PensionGold National User's Group Conference which will be held in Austin, Texas on April 11 & 12, 2013. She stated that it will give her an opportunity to discuss with the PensionGold team the Adams County Retirement Plan changes that will take place January 1, 2014.

Adams County Retirement Plan Active Members – Tier 1 Tier 2 Employee Notice of Plan Changes – Effective January 1, 2014

Ms. Mathisen indicated that the Employee Notice of Plan Changes – Effective January 1, 2014 letter will be going out to all active members by the end of the week. She stated that the letter is officially notifying the members that the Board of Retirement adopted a resolution to change future benefit accruals for employees

hired before January 1, 2010. Ms. Mathisen indicated that the letter will be mailed to the member's home address.

Retirement Website Redesign

Ms. Haines indicated that the IT department is currently working on the Retirement website redesign. She stated that each Board member needs to schedule their own appointment with the photographer. Ms. Haines indicated that the Board packet included the information needed to set up the appointment. Ms. Mathisen asked the Board members to have this completed by May 1, 2013.

Board Member Required Education/Training – One Course Every Four (4) Years

Ms. Haines indicated that the Board packet contained educational training information for 2013 for the NCPERS and IFEBP conferences. She reminded the Board that each Board member is required to attend at least one conference in their four year term. Mr. Pacyga asked Ms. Haines if any of the Board members are due or overdue in taking an educational training course. Ms. Haines responded that with the exception of Ms. Bruno, three of the Board members are current and have taken a course however Ms. Grimm still needs to complete a conference. Mr. Pacyga asked Ms. Haines to check with Ms. Grimm to make sure that she is aware of the requirement and if so, when she will be looking at completing the requirement.

US Bank Signatures

Ms. Haines indicated that she had new US Bank forms to be signed by the Board members and staff. These forms are for the Trust account and the Administrative/Pension accounts. Ms. Haines stated that all signatures are required for the checking accounts to assure appropriate signatures and authorization.

OTHER BUSINESS

None

Mr. McIntosh moved to adjourn the Regular Board Meeting and Mr. Dahlman seconded the motion at 3:17 p.m. The motion was unanimously carried.

Mr. Dahlman moved to convene in Executive Session pursuant to (1) C.R.S. Section 24-6-402(4)(b) in order to receive legal advice regarding pension benefit payments. Mr. McIntosh seconded the motion. The motion was unanimously carried.

EXECUTIVE SESSION

Mr. Dahlman moved to adjourn Executive Session (one) and reconvene the Regular Board Meeting and Mr. McIntosh seconded the motion at 3:51 p.m. The motion was unanimously carried.

The Regular Board Meeting reconvened at 3:52 p.m. with all Board members, Retirement staff and legal counsel present.

“Legal Advice Regarding Pension Benefit Payments”

Mr. McIntosh moved to pursue a mutual solution with Adams County in reference to the pension benefit payments and authorize the Executive Director, legal counsel and the actuary to resolve the issue. Mr. Dahlman seconded the motion. The motion was unanimously carried.

Mr. McIntosh moved to convene in Executive Session pursuant to (2) C.R.S. Section 24-6-4-2(4)(f)(I) regarding Personnel Matters for the Adams County Retirement Plan. Mr. Dahlman seconded the motion. The motion was unanimously carried.

“Personnel Matters”

The Regular Board Meeting reconvened at 5:00 p.m. with all Board members, Retirement staff and legal counsel present.

Mr. McIntosh moved to approve a 4% increase for Ms. Haines and Ms. Mathisen which would be in addition to the 2% increase that they each received in January 2013. The increase will be effective March 1, 2013. Ms. Bruno seconded the motion and it unanimously carried.

The Regular Board Meeting adjourned at 5:02 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

WEDNESDAY, APRIL 2, 2013

– **REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE ROOM
BRIGHTON, COLORADO 80601-8202**