

ADAMS COUNTY RETIREMENT BOARD MEETING

**MINUTES - REGULAR MEETING
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE CENTER
BRIGHTON, COLORADO 80601**

NOVEMBER 5, 2013

BOARD MEMBERS PRESENT

Joe Pacyga – Chairman
Ben Dahlman – Vice-Chairman
Marlise Bruno

BOARD MEMBERS EXCUSED

Michael McIntosh – Secretary
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 – Vicki Johnson

INVESTMENT CONSULTANTS

Watershed Investment Consultants – Dale Connors

OTHER ATTENDEES

Susan Dobbs – Rangeview Library District

Called to Order: 1:35 P.M.

SPECIAL PRESENTATION

**Gabriel Roeder & Smith (GRS) – Leslie Thompson
Experience Study – January 1, 2008 to December 31, 2012**

Ms. Thompson presented the Experience Study Analysis from January 1, 2008 to December 31, 2012 on the Adams County Retirement Plan. She indicated that there were two Phases that she would be speaking about. The first Phase was previously discussed at the September 2013 Board meeting. This discussion was on the two major economic assumptions price inflation (CPI) and Investment Return. Ms. Thompson gave a review of the Phase I results:

- ◆ Expectations for inflation continue to be low.
- ◆ Total return expectations have declined.
- ◆ Recommendations:
 - Keep inflation at 2.8%;
 - Consider reducing investment return assumption to 7.25% from 7.50%;
 - Factors to take into consideration
 - Proposed asset allocation
 - Investment horizon
 - Extra returns due to alpha
 - Degree of conservatism
- ◆ ASOP 27: “Selection of Economic Assumptions for Measuring Pension Obligations” revised September 2013

Ms. Thompson continued with the Phase II which was on the economic and demographic assumptions.

- ◆ Economic assumptions:
 - Should be internally consistent;
 - Salary scale
 - Primary economic assumption for review today;
 - Builds upon the underlying inflation assumption;
 - Individual pay increases based on inflation, merit and productivity.
- ◆ Demographic assumptions:
 - Analyze retirement, mortality, disability, other terminations;
 - Compare assumptions to actual experience;
 - Look at patterns by age and service;
 - Factor in anomalous nature of recent experience and recessions.

Ms. Thompson indicated that GRS is recommending the following changes. She stated that these changes would take place with the January 1, 2014 valuation.

- ◆ Salary Assumption – Decrease wage inflation from 4.50% to 3.80%. Decrease merit rates and decrease merit period to 10 years.
- ◆ Mortality Assumption – For pre-and post-retirement mortality, male and female rates based on RP-2000 tables. Change projections scale to Scale BB and add setback to post-retirement female mortality. For disabled mortality, no change to current table.
- ◆ Retirement Assumption – Decrease rates for most ages to better reflect experience. Adjust rates for tiers.
- ◆ Termination Assumption – Decrease at most ages
- ◆ Reducing investment return assumption to 7.25% from 7.50%

After some discussion the Board would like GRS to bring a revised Cost Impact study leaving the investment return at 7.50% and applying the other recommended assumptions. The Board tabled for further discussion at the December 2013 Board meeting.

EXECUTIVE SESSION

None

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes – October 1, 2013

Approval of Termination Report – October 2013

Approval of Money Manager Fund Totals and US Bank Summary Reports – September 2013

Approval of Administrative Expenditures – November 5, 2013

Expenditures - \$ 71,147.87

October Paid Expenditures \$ 963.98

Moved by Board Member – Mr. Dahlman

Seconded by Board Member – Ms. Bruno

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

Davis Graham & Stubbs, LLP – Vicki Johnson

Summary of Major Changes for Amendment and Restatement of the Plan – Effective January 1, 2014

Ms. Johnson indicated that she provided the Board a copy of the Summary of Major Changes for Amendment and Restatement of the Plan Generally Effective January 1, 2014 along with a redlined copy of the Plan Document for the Adams County Retirement Plan. Ms. Johnson proceeded by going over each item that had been changed in the Plan Document. A copy of the Summary of Major Changes for Amendment and Restatement of the Plan, Generally Effective January 1, 2014 is on file in the Retirement Office.

Ms. Johnson indicated that approval of the amended Plan Document from the Board would need to be made at the December 2013 Board meeting.

Board Resolution

Ms. Johnson indicated that she brought a Board Resolution to be executed by the Board listing the authorized signers in connection with the investment in the Principal Real Estate Debt Fund.

Recess at 3:07 P.M.

Reconvened at 3:11 P.M.

Adams County Retirement Board Nomination List

Ms. Haines indicated that the Board packet contained a copy of the nomination list. She stated that all nominees have until November 10, 2013 to respond.

Adams County Retirement Plan Budget Review

Ms. Mathisen presented the 2014 Budget for the Adams County Retirement Plan. She provided the budget overview to the Board so they could see what the anticipated expenses for the Plan would be in 2014. Ms. Mathisen noted that through September 2013 the Plan has had \$202,452.00 in Purchase of Service. She stated that registration and printing fees were increased for next year. Ms. Mathisen asked all Board members to attend some type of fiduciary training. She stated that the printing fees were increased because new Summary Plan Descriptions (SPD's) will need to be given to all active employees who are in the Plan due to the Plan and IRS changes. Ms. Mathisen indicated that this could be done by flash drive, disk or printing a hard copy of the SPD.

STANDING REPORTS

Watershed Investment Consultants, Inc. – Dale Connors

Investment Updates – Performance Update 3rd Quarter Performance Evaluation

Mr. Connors presented the Investment Performance Evaluation for the 3rd Quarter of 2013. He indicated that the 3rd quarter was very strong. Mr. Connors stated that all U.S. stocks are up 20% to 40% through October 2013. He indicated that October 2013 should add some more value to the Plan. Mr. Connors indicated that through September 2013 the Adams County Retirement Plan is at \$213,386,979. He stated the Plan was up 8.53% net of fees through September 2013.

Davis Graham & Stubbs, LLP

Legal Information Updates

None

Retirement Staff – Administrative Business
Administrative Updates
2013 Income/Expenditure Statement – Debbie Haines

Ms. Haines indicated that included in the Board packet was the Income/Expenditure Statement through September 30, 2013. She stated that this reports shows the contributions coming into the Plan and refund payments, retiree payments and expenditures going out of the Plan.

PensionGold Teaming Conference Report – Pam Mathisen

Ms. Mathisen thanked the Board for allowing her to attend the 2013 PensionGold Teaming Conference. She stated that she went out one day early to spend time with the development team on the 2014 Plan changes for the Retirement system. Ms. Mathisen indicated that there were 16 clients from all versions who were in attendance. Ms. Mathisen stated that she has been elected Vice-Chairman for the PensionGold National User’s Group (PGNUG) for 2014. She indicated that in 2014, Palm Bay will host the National User’s Group with Adams County Retirement Plan hosting in 2015. Ms. Mathisen indicated that Ms. Haines and she will be attending the PGNUG conference in spring of 2014.

OTHER BUSINESS

The Regular Board Meeting adjourned at 3:52 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

TUESDAY, DECEMBER 3, 2013

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