

ADAMS COUNTY RETIREMENT BOARD MEETING

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

FEBRUARY 3, 2015

BOARD MEMBERS PRESENT

Joe Pacyga – Chairman – 1:49 P.M.
Ben Dahlman – Vice-Chairman
Brigitte Grimm –Treasurer – 1:41 P.M.
Marlise Bruno – Secretary
Marc Osborne

BOARD MEMBERS EXCUSED

ADMINISTRATIVE STAFF

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

LEGAL COUNSEL

Davis Graham & Stubbs, LLP – Cindy Birley

INVESTMENT CONSULTANTS

Watershed Investment Consultants – Dale Connors

OTHER ATTENDEES

Susan Dobbs - Rangeview Library District
Kevin Birzer – Tortoise Capital Advisors
Kyle Krueger – Tortoise Capital Advisors
Brad Martin – Davis Graham & Stubbs

Called to Order: 1:35 P.M.

SPECIAL PRESENTATION

Tortoise Capital Advisors

Mr. Connors introduced Tortoise Capital Advisors and stated that they manage MLP's for the Adams County Retirement Plan. Mr. Birzer, Tortoise proceeded by giving a summary of how Tortoise Capital Advisors did in 2014. He stated that their absolute performance was up 16.7% for 2014. Mr. Birzer indicated that the intermediate and long term growth outlook remains favorable. He stated that Tortoise expects 11% to 13%

MLP market returns for the next 12 months. He finished by stating that the Adams County Retirement Plan was up 15.85% net of fees for 2014.

Ms. Birley, Davis Graham & Stubbs introduced Brad Martin who is studying to become a paralegal and was in attendance to observe a Board meeting for his course study.

EMPLOYEE/RETIREE CORRESPONDENCE

Thank You Note – Rickaby Family

REGULAR BUSINESS SESSION

Ms. Haines stated prior to the Board meeting Mr. Dahlman had a slight correction on the Board minutes. Ms. Haines indicated that this correction has been completed.

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes – January 6, 2015, As Amended

Approval of Termination Report – January 2015

Approval of Money Manager Fund Totals and US Bank Summary Reports – Not Released

Approval of Administrative Expenditures – February 3, 2015

Expenditures - \$ 75,574.98

Paid January Expenditures - \$ 1,345.00

Moved by Board Member – Mr. Dahlman

Seconded by Board Member – Ms. Bruno

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

Davis Graham & Stubbs – Cindy Birley

Colorado State Senate Bill 15-083

Ms. Birley indicated that in the Board packet contained a copy of Senate Bill 15-083. She stated that is a very broad bill which expands the definition of what is a public record. Ms. Birley stated that it is a bill for an act

concerning the application of the “Colorado Open Records Act” to private organizations that receive certain transfers of money from government entities. She indicated that this bill would provide open books and records of certain investments for disclosure or could be construed that way because the bill is not worded very well. Ms. Birley indicated that if the bill would pass then the Plan could lose out on investments that the Board might otherwise invest in because the investment managers could be required to open all records to the public. She stated that is why Davis Graham & Stubbs recommends opposing this bill. Ms. Birley stated that Ms. Mathisen provided a copy of the Board of County Commissioners bill positions in the Board packet. Ms. Mathisen commented that the BoCC does oppose the bill but is not actively opposing. Ms. Mathisen asked the Board if they wanted to prepare a letter to the BoCC asking them to ask their lobbyist to actively oppose this Senate Bill or just let it run its course. After some discussion the Board would like Davis Graham & Stubbs to prepare a letter to the Board of County Commissioners to actively oppose Senate Bill 15-083.

Mr. Dahlman moved to have Davis Graham & Stubbs prepare a letter on behalf of the Board of Retirement to the Board of County Commissioners requesting them to actively oppose Senate Bill 15-083 which severely impacts the Board of Retirement’s ability to hire investment companies that are offering private equity. Ms. Bruno seconded the motion. Mr. Dahlman amended his motion to direct Davis Graham & Stubbs to prepare a letter on behalf of the Board of Retirement to the Board of County Commissioners requesting them to actively oppose Senate Bill 15-083 after DGS has spoken with the Colorado Municipal League (CML) or other organizations to see if it is worthy of DGS’s time. Ms. Bruno seconded and it unanimously carried.

Adams County Retirement Board Reorganization

Mr. Dahlman moved to leave the current slate of officers as is Joe Pacyga, Chairman, Ben Dahlman, Vice-Chairman, Brigitte Grimm, Treasurer, Marlise Bruno, Secretary and Marc Osborne, Member at Large. Ms. Grimm seconded and it was unanimously carried.

Watershed Investment Consultants, Inc. – Dale Connors 2014 Year-End Investment Performance Evaluation

Mr. Connors presented the 2014 4th Quarter Investment Performance Evaluation on the Adams County Retirement Plan. He indicated that the place to be in 2014 was in US large cap equities. He indicated that they were up double digits for the year. Mr. Connors stated that through December 31, 2014 the Adams County Retirement Plan ended up 6.61% net of fees at \$234,339,869. He continued by giving an overview of each of the investment sectors that the Plan is currently invested in.

STANDING REPORTS

Watershed Investment Consultants, Inc. Investment Updates – Performance Update

None

**Davis Graham & Stubbs
Legal Information Updates**

Ms. Birley passed out a summary of Senate Bill 15-083 to all Board members. She stated that this summary goes over what was discussed earlier in the Board meeting.

**Retirement Staff – Administrative Business
Administrative Updates
Board Member Educational Packet – Debbie Haines**

Ms. Haines indicated that included in the Board packet was the 2015 Fiduciary training schedules from IFEBP and NCPERS. She stated that if any Board member is interested to contact the Retirement staff.

Board Member Reappointment – Pam Mathisen

Ms. Mathisen indicated that the Board of County Commissioners has reappointed Mr. Dahlman to the Adams County Retirement Plan. Everyone congratulated Mr. Dahlman on his reappointment to the Board of Retirement.

March 2015 Board Meeting – Pam Mathisen

Ms. Mathisen informed the Board that at the March 2015 Board meeting Ms. Birley will need to leave early therefore the Executive Session will be the 1st order of business. She stated that Mr. Connors is aware of this and will not attend the Board meeting but will send Watershed's investment updates via-email to all Board members and staff. Ms. Mathisen indicated that Ms. Johnson, Davis Graham & Stubbs will be present to conduct the Fiduciary training for the Adams County Board of Retirement.

Administrative Expenditures – Pam Mathisen

Ms. Mathisen stated that at the January 2015 Board meeting there was some discussion regarding an item on the administrative expenditures that she had approved. She stated that she provides a budget to the Board and there is a line item named Board Member Associate Appreciation budgeted for \$1,500.00. Ms. Mathisen stated no appreciation amount would go over that line item unless approved by the Board of Retirement.

Mr. Pacyga proceeded by indicating that this item was tabled for further discussion. Mr. Dahlman commented that his intent is not to micro manage but his position is that he feels that this type of transaction should not be done since there were changes made to decrease benefits to participants. He stated that he feels that this was an unnecessary expense to the Plan. After some discussion the Board does not want to micro manage Ms. Mathisen and feels that she should have full discretion.

Mr. Dahlman moved to eliminate payments to Board members for their service on the Adams County Board of Retirement. Died for lack of second.

OTHER BUSINESS

None

Mr. Dahlman moved to convene into Executive Session at 3:28 P.M. Pursuant to C.R.S. Section 24-6-402(4)(f)(I) regarding personnel matters. Mr. Osborne seconded the motion and it was unanimously carried.

EXECUTIVE SESSION

Mr. Osborne moved to adjourn Executive Session and reconvene the Regular Board Meeting. Ms. Grimm seconded the motion and it was unanimously carried.

The Regular Board Meeting reconvened at 4:10 P.M. with all Board members, staff and legal counsel present.

The Regular Board Meeting adjourned at 4:11 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

TUESDAY, MARCH 3, 2015

**REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE ROOM C3414
BRIGHTON, COLORADO 80601**