

**ADAMS COUNTY RETIREMENT BOARD MEETING**

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

**JUNE 9, 2015**

**BOARD MEMBERS PRESENT**

Joe Pacyga – Chairman  
Ben Dahlman – Vice-Chairman  
Marlise Bruno – Secretary  
Marc Osborne

**BOARD MEMBERS EXCUSED**

Brigitte Grimm –Treasurer

**ADMINISTRATIVE STAFF**

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

**ACTUARIAL STAFF**

Gabriel Roeder & Smith – Diane Hunt

**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: 1:38 P.M.**

**SPECIAL PRESENTATION**

**Gabriel Roeder Smith (GRS) – Diane Hunt  
Actuarial Valuation Effective January 1, 2015**

Ms. Hunt presented the Actuarial Valuation Report as of January 1, 2015 for the Adams County Retirement Plan. She continued by stating some of the highlights of the Valuation:

- Market value of assets return was slightly less than the rate of return assumption
  - 7.1% return vs. 7.5% assumption

- Actuarial value of assets return exceeded the rate of return assumption
  - 8.7% return vs. 7.5% assumption
  - Overall gain on actuarial value of assets due to the recognition of 2012 and 2013 asset gains.
- Contribution shortfall decreased to 5.14% of payroll in 2015 from 6.34% of payroll in 2014
- Employer and member contributions increased from 8.75% to 9.00% in 2015
- Funded ratio (ratio of assets to liabilities)
  - Market value funded ratio decreased to 59.0% from 59.1% last year
  - Actuarial value funded ratio increased to 57.1% from 56.4% last year

Ms. Hunt finished by stating that the valuation results indicate that the career average formula with soft freeze on the Tier 1 and Tier 2 continues to be necessary in order to improve the long term funded ratio of the Plan.

### **EMPLOYEE/RETIREE CORRESPONDENCE**

None

### **REGULAR BUSINESS SESSION**

Ms. Mathisen indicated to the Board that before they approve the Consent Agenda she would like to discuss the termination/refund/retiree payout report. She indicated that Mr. Osborne had brought this to the staff's attention concerning the employer match which currently is showing matching contributions for contributions given after January 1, 2014. Ms. Mathisen stated that the staff was aware of the problem and has been working with the IT Department to resolve this issue. Ms. Mathisen indicated that she had a discussion with Ms. Johnson, Davis Graham & Stubbs concerning this report and believes that this report is not providing enough information for the Board to approve. She indicated that the Board should be approving who, how much, amount of benefit, election of retiree and contributions. After a lengthy discussion the staff will work on providing a new report for retirees and use the lump sum distribution report for terminations. The Board now will be provided the termination/retiree report at Board meeting to review before the Consent Agenda is approved.

### **CONSENT AGENDA**

**Consent Agenda:      Distributed by E-Mail**

**Approval of Board Meeting Minutes – May 5, 2015**

**Approval of Termination Report – May 2015**

**Approval of Money Manager Fund Totals and US Bank Summary Reports – March & April 2015**

**Approval of Administrative Expenditures – June 9, 2015**

Expenditures - \$ 158,296.20

Paid May Expenditures - \$ 2,642.35

**Moved by Board Member – Mr. Dahlman**

**Seconded by Board Member – Ms. Bruno**

Discussion:

Ms. Haines informed the Board that a check was cut on May 28, 2015 to Commercial Insurance Concepts for the renewal of the Misc. E & O Liability Insurance. She stated that the invoice got misplaced and should have been paid with the May 2015 expenditures.

Mr. Osborne questioned whether he needed to abstain from the Consent Agenda since he is receiving a payment for reimbursement. The Board did not see it as a conflict.

**Unanimously carried**

### **UNFINISHED BUSINESS**

None

### **NEW BUSINESS**

#### **Adams County Board of County Commissioners Study Session Presentation of the Adams County Retirement Plan Actuarial Valuation**

**Proposed Dates:   Tuesday, July 21, 2015  
                          Tuesday, July 28, 2015  
                          Tuesday, August 11, 2015  
                          Tuesday, August 18, 2015**

Ms. Mathisen indicated that Erica Hannah, Administrative Assistant to the Board of County Commissioners (BoCC) indicated all the proposed dates were available with the BoCC. She stated that Ms. Birley, Davis Graham & Stubbs has indicated that all proposed dates work for her but Ms. Thompson, Gabriel Roeder Smith has not responded. Mr. Pacyga would like Ms. Mathisen to contact Ms. Thompson and see if August 11, 2015 would work for her and if not then July 21, 2015 would be set for the presentation to the BoCC. Ms. Mathisen will notify the Board once she has confirmed with Ms. Thompson.

Ms. Mathisen commented on the eight minute discussion that was given by Mr. Ostler, Director, Human Resources to the Board of County Commissioners during a Study Session. She indicated that she had a copy of the presentation should the Board like to review. Ms. Mathisen stated that the comments made by Mr. Ostler were incorrect and at no point did he try to contact the Retirement office for clarification. Ms. Mathisen indicated that she wanted the Board to be aware of the concerns the BoCC has before they meet.

Ms. Bruno believes some of the information made in the presentation by Gabriel Roeder Smith is good but believes the BoCC needs to see something different.

After some discussion the Board does not feel the presentation made by Gabriel Roeder Smith as presented to the Board of Retirement is a good format to present to the BoCC. The Board would like to give better information regarding the Plan's funded status, how the Plan is improving, who is in what Tier and the difference in each Tier. Ms. Mathisen stated that she will work with Davis Graham & Stubbs and Ms. Bruno to come up with a preliminary presentation for the Board's review at the July 2015 Board meeting.

## **STANDING REPORTS**

### **Watershed Investment Consultants, Inc. Investment Updates – Performance Update**

Mr. Connors indicated that the performance for May 2015 was mixed. He stated that the market is starting to show volatility. Mr. Connors stated that thru May 2015 the Adams County Retirement Plan was at \$238,508,503.

### **Equity Portfolio Structure Review**

Mr. Connors stated that several years ago the Plan was positioned with an over-weight in US equities and under-weight in Non-US equities. He indicated that served the Plan well as US stocks outperformed Non-US stocks over the trailing five calendar years. Mr. Connors stated that in 2015 Watershed is starting to see a reversal in that strategy. He believes that it is time to lessen the US equity over-weight in the portfolio. After some discussion Watershed recommends reducing the under-weight by moving half of the Vanguard Dividend Growth fund allocation to an even split between the DFA World ex-US Value fund and the EuroPacific Growth fund. Watershed also recommends reducing the style imbalance by moving half of the Vanguard Dividend Growth fund allocation to the SSgA S&P 500 fund. He indicated this will eliminate the Vanguard Dividend Growth fund and will somewhat increase the US equity portfolio's overall market capitalization.

Mr. Dahlman moved to change the asset allocation by reducing the US equities from 35% to 30%, by increasing SSgA from 10% to 15%, reducing Vanguard Dividend Growth to zero and increasing the Non-US equities from 15% to 20%, increasing DFA World ex-US Value from 5% to 7.5% and EuroPacific Growth fund from 5% to 7.5%. Mr. Osborne seconded the motion and it carried unanimously.

### **Davis Graham & Stubbs Legal Information Updates**

None

**Retirement Staff – Administrative Business  
Administrative Updates**

**Evestment – Pam Mathisen**

Ms. Mathisen provided the Board with information from Mr. Catterton, eVestment which is an investing analytics provider. Ms. Mathisen stated that Mr. Catterton asked her to pass along his information to the Board about services that his company provides to customers.

**2014/2015 Income/Expenditure Report**

Ms. Haines indicated that included in the Board packet was two Income/Expenditure Reports one for 2014 and the other thru May 2015. She stated that these reports show the contributions coming into the Plan and refund payments, retiree payments and expenditures going out of the Plan.

**Recap - Introduction to Managing Retirement Income- June 4, 2015 – Pam Mathisen**

Ms. Mathisen informed the Board of Retirement that the Retirement office held the “Introduction to Managing Retirement Income” workshop on June 4, 2015. She indicated that 25 participants attended the workshop and the staff has received positive feedback. Ms. Mathisen indicated that the Retirement office will be holding a Social Security workshop in the near future.

**OTHER BUSINESS**

Mr. Dahlman moved to approve the Executive Session minutes from May 5, 2015. Ms. Bruno seconded the motion and it was unanimously carried.

**EXECUTIVE SESSION**

None

**The Regular Board Meeting adjourned at 3:59 p.m.**

Respectfully submitted,

Debbie Haines, Senior Benefits Manager  
(Corresponding Secretary)

**NEXT BOARD MEETING**

**TUESDAY, JULY 7, 2015  
REGULAR BOARD MEETING  
ADAMS COUNTY GOVERNMENT CENTER  
4430 SOUTH ADAMS COUNTY PARKWAY  
RETIREMENT CONFERENCE ROOM C3414  
BRIGHTON, COLORADO 80601**