

ADAMS COUNTY RETIREMENT BOARD MEETING

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

JUNE 7, 2016

BOARD MEMBERS PRESENT

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

BOARD MEMBERS EXCUSED

ADMINISTRATIVE STAFF

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

ACTUARIAL STAFF

Gabriel Roeder Smith – Leslie Thompson
Gabriel Roeder Smith – Paul Wood

LEGAL COUNSEL

Davis Graham & Stubbs – Cindy Birley

INVESTMENT CONSULTANTS

Ellwood Associates – Dale Connors

OTHER ATTENDEES

Susan Dobbs – Rangeview Library District

Called to Order: 1:35 P.M.

SPECIAL PRESENTATION

None

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes – May 3, 2016

Approval of Money Manager Fund Totals and US Bank Summary Reports – March 2016

Approval of Administrative Expenditures – June 7, 2016

Expenditures - \$ 114,789.19

Paid May Expenditures - \$ 78.72

Provided at Board Meeting:

Approval of Lump-Sum Distributions Report/Retirees Payout Report – May 2016

Moved by Board Member – Mr. Dahlman

Seconded by Board Member – Mr. Osborne

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

**Gabriel Roeder Smith (GRS) – Leslie Thompson & Paul Wood
Actuarial Valuation Effective January 1, 2016**

Ms. Thompson presented the Actuarial Valuation Report as of January 1, 2016 for the Adams County Retirement Plan. She continued by stating some of the highlights of the Valuation:

- Market value of assets return was less than the rate of return assumption
 - < 1.7% return vs. 7.5% assumption
- Actuarial value of assets return was less than the rate of return assumption
 - 6.4% return vs. 7.5% assumption
 - Overall loss on actuarial value of assets due to the recognition of 2011, 2014 and 2015 asset losses.

- Contribution shortfall decreased to 4.91% of payroll in 2016 from 5.14% of payroll in 2015
- Because the shortfall exists, there is upward pressure on the contribution rate and downward pressure on the funded ratio
- Employer and member contributions at 9.00% in 2016
- Funded ratio (ratio of assets to liabilities)
 - Market value funded ratio decreased to 53.6% from 59.0% last year
 - Actuarial value funded ratio decreased to 56.2% from 57.1% last year

Mr. Wood continued by going over the information used in the valuation. He stated that the active and retiree population increased in 2016. Mr. Wood 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.

STANDING REPORTS

Ellwood Associates

Investment Updates – Performance Update

Mr. Connors stated that the performance for the month of April 2016 was pretty good. He indicated that Alerian MLP's was up 11% in the month of April which helped bring the strategy back up to target for the month. Mr. Connors finished by saying that the Adams County Retirement Plan for the month is up 2.1% at \$226,902,684.

Davis Graham & Stubbs

Legal Information Updates

Ms. Birley informed the Board that the IRS has given some guidance on the PATH Act (Protecting Americans from Tax Hikes of 2015). She indicated that this Act expands the definition of an eligible Retirement Plan. Ms. Birley stated that it now allows a rollover from a qualified plan into a Simple IRA (if it has been in existence for 2 years). She indicated that this change will require an Amendment along with SPD changes, administrative forms, etc. to the Adams County Retirement Plan. After some discussion the Board gave permission for Davis Graham & Stubbs to prepare the Amendment and bring it back at the July 2016 Board meeting for approval.

Gabriel Roeder Smith & Company

Update

Ms. Thompson informed the Board that the Reason Foundation has introduced legislation in Arizona to get rid of the Defined Benefit Plan and replace it with a Defined Contribution Plan. She stated that this organization goes around the country trying to dismantle Defined Benefit Plans. Ms. Thompson indicated that she has not heard of them in Colorado yet.

Retirement Staff – Administrative Business
Administrative Updates
Defined Benefit – Cost/Expenses Analysis – Pam Mathisen

Ms. Mathisen provided the Board with a cost/expenses analysis between the Adams County Retirement Plan and similar size pension plans. She indicated that the analysis compares 7 different plans however 2 of the plans expenses are paid by the Agencies. Ms. Mathisen stated that the legal fees are different for each entity. She indicated that some entities use their County attorney for some of the things that Adams County Retirement Plan might use such as contracts, Plan Documents, IRS/VCP filings, etc.

Actuarial Report

Ms. Mathisen asked the Board if they wanted to setup a meeting with the Board of County Commissioners to discuss the Actuarial Valuation Effective January 1, 2016. After some discussion the Board would like Ms. Mathisen to email the report to the Board of County Commissioners, County Manager and Deputy County Managers.

OTHER BUSINESS

Mr. Pacyga asked if there has been any development on the possibility of a Pay Cycle change. Mr. Dahlman stated that the Pay Cycle Evaluation committee will be having a meeting with upper management on June 13, 2016 to give their final recommendation.

EXECUTIVE SESSION

None

The Regular Board Meeting adjourned at 3:13 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

TUESDAY, JULY 5, 2016
REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMSCOUNTY PARKWAY
RETIREMENT CONFERENCE ROOM
BRIGHTON, COLORADO 80601