

ADAMS COUNTY RETIREMENT BOARD MEETING

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

JULY 5, 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

LEGAL COUNSEL

Davis Graham & Stubbs – Vicki Johnson

INVESTMENT CONSULTANTS

Ellwood – Dale Connors

OTHER ATTENDEES

None

Called to Order: 1:36 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 – June 7, 2016

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

Approval of Administrative Expenditures – July 5, 2016

Expenditures - \$ 69,952.93

Paid June Expenditures - \$ 15.00

Provided at Board Meeting:

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

Moved by Board Member – Mr. Dahlman

Seconded by Board Member – Mr. Osborne

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

Ellwood – Contract Amendment

Mr. Connors stated that when Ellwood was preparing the invoice and went through the original contract they noticed that the contract was July 1st to June 30th not the Plan's fiscal year. Mr. Connors stated that he had to go back and readjust the CPI increases to reflect this correction. Mr. Connors also stated that the contract indicated that each year both parties would sign a new agreement. Since this has not been done both Ms. Mathisen and he agreed that an Amendment to Perform Investment Consultant Services needed to be brought back to the Board of Retirement for approval.

Ms. Bruno moved to accept the First Amendment of Agreement to Perform Investment Consultant Services provided by Ellwood contingent upon legal counsel review. Mr. Dahlman seconded the motion and it was unanimously carried.

Adams County Retirement Plan Vendor Review – Pam Mathisen

- **CliftonLarsonAllen**
- **Davis Graham & Stubbs, LLC**
- **Ellwood**
- **Gabriel Roeder Smith**
- **PensionGold**
- **US Bank**

Ms. Mathisen indicated that each July the Board reviews the primary vendor contracts. She proceeded by giving an overview of each vendor. Ms. Mathisen stated that the Board had extended CliftonLarsonAllen's contract for two years to get through GASB 67 & 68 which ended with the presentation of the 2015 Financial and Audit report in May 2016. She indicated that the Retirement office will be issuing a Request of Proposal (RFP) in September 2016. Mr. Dahlman commented that having the same auditor for both the Retirement Plan and Adams County has made it easier in implementing GASB 67 & 68.

After some discussion the Board would like to table this discussion until the August 2016 Board meeting. However, they would like Ms. Mathisen to go back to CliftonLarsonAllen and find out if they are willing to extend their contract at the same incremental increase. Mr. Dahlman will then look at Adams County's contract and see what terms they currently have with CliftonLarsonAllen.

Ms. Mathisen then continued giving an overview of the remaining vendors.

Valuation Data Request for the Adams County Retirement Plan Adams County Government Independent Review Project – Gallagher Benefit Services

Ms. Mathisen indicated that included in the Board packet was a copy of a letter to the Board of Retirement from Mr. Finger, Deputy County Manager for Adams County. She stated that Adams County has engaged Gallagher Benefit Services to do an independent review related to the Adams County Retirement Plan. Ms. Mathisen indicated that Gallagher will be performing certain analysis of the Plan and providing recommendations on options to Adams County. Ms. Mathisen stated that she had a conversation with Ms. Turk, Gallagher Benefit Services to understand what data Gallagher was requesting. She indicated that Ms. Turk specifically wanted the information to come directly from the Plan's actuary. Ms. Mathisen indicated that if the Board of Retirement allows the actuary to give the information to Gallagher it would be considered a "Prohibited Transaction". She then read Colorado Revised Statute Annotated §24-54-115 regarding "Confidentiality" to the Board and stated that the Board will need to get legal counsels interpretation of the statute.

Mr. Dahlman asked both Ms. Bruno, Board member and Ms. Thompson, Gabriel Roeder Smith their opinion on Gallagher Benefit Services. Ms. Bruno indicated that it is common for Plan's to hire another actuary to replicate their actuary's results. She stated that it is an audit or touch point done every few years. However, Ms. Bruno indicated that she does not know much about Gallagher's ability to perform these services. She stated that they specialize in insurance and health benefits. Ms. Bruno indicated that she does not believe they are a strong candidate in defined benefit plans or can even correctly evaluate them based on the data they are asking for. Ms. Bruno questions if they understand the whole process. Ms. Thompson indicated that Gabriel Roeder Smith cannot provide Gallagher with a lot of the information they are asking for such as name and

social security number to name a few. She stated that there could be a conflict of interest for Gabriel Roeder Smith. Ms. Thompson stated that she has done this for 40 years and she can tell by looking at the data request that the information being requested looks like it was pulled off a shelf by someone without Public sector experience. She indicated that what that means to her is that they would start calling Gabriel Roeder Smith about how to calculate or interpret the Plan. Ms. Thompson indicated that then she is giving advice to the group that is trying to disable the Plan. She then reiterated what Ms. Bruno said in that she has not seen Gallagher in the pension or public sector retirement industry only in the health & benefits industry. Ms. Thompson stated that she did find out that Ms. Turk, Gallagher Benefit Services does have actuary credentials and was involved in a Plan closure study done on the State of North Dakota. Ms. Thompson recommends to the Board that if they proceed with giving information to Gallagher that it not come from Gabriel Roeder Smith.

Ms. Johnson, Davis Graham & Stubbs indicated that they will need to look into the state statute to determine if the Board can allow information to be given to Gallagher Benefit Services.

After a long discussion the Board would like to hold an Executive Session for the purpose of receiving legal advice at the August 2016 Board meeting. The Board directed Davis Graham & Stubbs to prepare a letter to Mr. Finger, Deputy County Manager stating that the Board is waiting on legal advice before they proceed with the request. This letter will be signed by the Chairman.

STANDING REPORTS

Ellwood

Investment Updates – Performance Update

Mr. Connors indicated that the Adams County Retirement Plan was up 2.7% year to date. He stated that Ms. Mathisen, Ms. Haines and himself had a meeting with the Plan's portfolio manager at Denver Investments. The meeting was to discuss Denver Investments personal changes. Mr. Connors believes that the fixed income side will be business as usual.

Davis Graham & Stubbs

Legal Information Updates

Ms. Johnson informed the Board that Davis Graham & Stubbs was originally going to bring back an amendment regarding the PATH Act to the July 2016 Board meeting. However Ms. Birley would like to research it further before they proceed with the amendment.

Gabriel Roeder Smith & Company Update

None

Retirement Staff – Administrative Business
Administrative Updates
CPPC Conference August 30 – September 2, 2016
Beaver Creek, Colorado

Ms. Haines indicated that included in the Board packet was a copy of the CPPC Conference information to be held August 30 through September 2, 2016 in Beaver Creek, Colorado. She stated that Mr. Dahlman has already indicated that he would like to attend and if any other Board members would be interested to let her know within the next few weeks. Ms. Haines indicated that both Ms. Mathisen and Ms. Grimm attended this conference last year.

OTHER BUSINESS

None

EXECUTIVE SESSION

None

The Regular Board Meeting adjourned at 3:26 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

TUESDAY, AUGUST 2, 2016
REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMSCOUNTY PARKWAY
RETIREMENT CONFERENCE ROOM
BRIGHTON, COLORADO 80601