

ADAMS COUNTY RETIREMENT BOARD MEETING

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

APRIL 4, 2017

BOARD MEMBERS PRESENT

Marc Osborne - Chairman
Ben Dahlman – Vice-Chairman
Ray Gonzales

BOARD MEMBERS EXCUSED

Brigitte Grimm –Treasurer
Jim Morgen - Secretary

ADMINISTRATIVE STAFF

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

ACTUARIAL STAFF

Gabriel Roeder Smith – Paul Wood

LEGAL COUNSEL

David Graham & Stubbs – Cindy Birley

INVESTMENT CONSULTANTS

Ellwood – Dale Connors
Ellwood – Andy Fiegel
Ellwood – Dan George

OTHER ATTENDEES

Mark Roman – Grosvenor
Andrew Preda – Grosvenor
Susan Dobbs – Rangeview Library District
Tina Seberg – US Bank

Called to Order: 1:31 P.M.

INTRODUCTION OF SPECIAL GUESTS/ATTENDEE'S

Mr. Connors introduced Grosvenor to the Board of Retirement.

SPECIAL PRESENTATION

Grosvenor Capital Management – Hedge fund of funds

Mr. Roman, Grosvenor gave a brief overview about Grosvenor to the Board of Retirement. Mr. Preda continued going over the market review for 2016 and 2017. He stated that 2016 was a year of surprises with the first Fed rate hike in a decade, Brexit and the election. Mr. Preda indicated that Grosvenor for 2017 sees greater macroeconomic and political uncertainty that may present opportunities for hedge funds. Mr. Preda finished by thanking the Board for their time.

US Bank

Ms. Seberg, Relationship Manager for the US Bank Institutional Trust & Custody started by thanking the Board for their business. She stated that the Adams County Retirement Plan has been with US Bank since 1998. Ms. Seberg stated that US Bank is the sixth largest custodian in the country. Ms. Seberg finished by stating that she enjoys working with everyone who is associated with the Adams County Retirement Plan.

Mr. Dahlman moved to convene into Executive Session at 2:10 P.M. Pursuant to C.R.S. Section 24-6-402(2)(d.5)(II) and C.R.S. Section 24-6-402(4) to approve the Executive Session Minutes from March 7, 2017. Mr. Gonzales seconded the motion and it was unanimously carried.

EXECUTIVE SESSION

Mr. Gonzales moved to adjourn Executive Session and reconvene the Regular Board Meeting. Mr. Dahlman seconded the motion and it was unanimously carried.

The Regular Board Meeting reconvened at 2:11 P.M. with all Board members, staff, investment consultant, actuary and legal counsel present.

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes – March 7, 2017

Approval of Money Manager Fund Totals and US Bank Summary Reports – January 2017

Approval of Administrative Expenditures – April 4, 2017

Expenditures - \$ 38,790.13

Paid March Expenditures - \$ 41.00

Provided at Board Meeting:

Approval of Lump-Sum Distributions Report/Retirees Payout Report – March 2017

Moved by Board Member – Mr. Dahlman

Seconded by Board Member – Mr. Gonzales

Unanimously carried

UNFINISHED BUSINESS

None

NEW BUSINESS

Gallagher Presentation – Marc Osborne – Retirement Board Chairman

Follow-up Discussion Regarding Study Session, March 21, 2017 with

The Board of County Commissioners

Mr. Osborne first thanked Mr. Wood, Gabriel Roeder Smith for his comments to the Board of Retirement regarding the Gallagher presentation. Mr. Wood clarified to the Board that in his comments to the Board paragraph two regarding the assumptions, GRS is not going to discuss morality rates but rather the mortality rates.

Mr. Gonzales commented that the Board of Retirement should discuss defining the partnership with Adams County. Mr. Dahlman agreed that defining the partnership with Adams County might provide opportunities to consider when looking at options regarding the Adams County Retirement Plan.

STANDING REPORTS

Ellwood

Investment Updates – Performance Update

Mr. Connors introduced Dan George, CIO for Ellwood who was in town from the Chicago office. He stated that he is a member of the management committee that controls Ellwood along with heading the foundation practice and the high worth practice. Mr. Connors continued with the February 2017 performance update stating that it was another good month for investments. He indicated that the Adams County Retirement Plan was up 3.5% at \$244,000,743.

Mr. George, Ellwood gave a brief overview of how Ellwood hires qualified investment managers.

Davis Graham & Stubbs

Legal Information Updates

Ms. Birley gave an update to the Board regarding the proposed regulations from the IRS for Normal Retirement Age using the Safe Harbor rules. She indicated that the Plan took steps earlier in the year to be compliant for the Normal Retirement Age using the Safe Harbor rules. Ms. Birley reminded the Board that Davis Graham & Stubbs had sent a comment letter to the IRS with regards to handling rehires. Ms. Birley stated that as of today the IRS has not issued final regulations however DGS did speak with the IRS with regards to handling rehires. Ms. Birley indicated that the IRS had not considered the handling of rehires but would take their comments into account when finalizing the regulations. She stated that DGS does not know when the final regulations will be issued.

Ms. Birley continued stating that the Department of Labor has a fiduciary rule which expands who is a fiduciary. However, she indicated that the Adams County Retirement Plan is not subject to the DOL or ERISA. She indicated that the DOL is finding that vendors are starting to put disclosure statements on information. Ms. Birley indicated that DGS is in the process of redoing the Retirement Plan's forms and believes that a disclosure statement should be considered on some of the forms.

Gabriel Roeder Smith & Company Update

Mr. Wood stated that Gabriel Roeder Smith is on schedule to present the January 2017 Actuarial Valuation in June. He commented on the assets of the Plan and reminded the Board that the Plan is still digging out of a hole from a couple of years ago. Even though the Plan has had good returns the valuation could still show a loss on assets which is anticipated because it has been baked into the valuation. Mr. Wood stated that there has been a lot of talk about the 5 year and 10 year vesting of the Plan. He advised the Board to hold off looking into that until they received the January 2017 Actuarial Valuation which would reflect the most recent data of the Plan.

Retirement Staff – Administrative Business
Administrative Updates

Ms. Mathisen informed the Board that PensionGold is currently working on the development of the Web Member Services Responsive Design for the Adams County Retirement Plan. She indicated that PG should have a CR to the Retirement office by mid-summer.

Ms. Mathisen commented that it is her understanding that Greg Knox who does scanning for the Retirement Office along with other departments will be going from one department to another. She indicated that she is not sure of what that will mean in terms of continued scanning by Mr. Knox. Ms. Mathisen stated that if he is no longer able to scan for the Retirement office, then the Plan will need to purchase their own scanner.

OTHER BUSINESS

None

The Regular Board Meeting adjourned at 2:55 p.m.

Respectfully submitted,

Debbie Haines, Senior Benefits Manager
(Corresponding Secretary)

NEXT BOARD MEETING

TUESDAY, MAY 2, 2017
REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE ROOM
BRIGHTON, COLORADO 80601