

ADAMS COUNTY RETIREMENT BOARD MEETING

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

JUNE 5, 2018

BOARD MEMBERS PRESENT

Marc Osborne - Chairman
Ben Dahlman – Vice-Chairman – 1:31 P.M.
Jim Morgen – Secretary
Brent Voge

BOARD MEMBERS EXCUSED

Brigitte Grimm – Treasurer

ADMINISTRATIVE STAFF

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

ACTUARIAL STAFF

Gabriel Roeder Smith – Paul Wood
Gabriel Roeder Smith – Krysti Kiesel

LEGAL COUNSEL

David Graham & Stubbs – Cindy Birley

INVESTMENT CONSULTANTS

Ellwood – Dale Connors
Ellwood – Andy Fiegel

OTHER ATTENDEES

Alisha Reis – Deputy County Manager Administrative Services
Susan Dobbs – Rangeview Library District

Called to Order: 1:28 P.M.

INTRODUCTION OF SPECIAL GUESTS/ATTENDEE'S

Ms. Reis introduced herself as the Deputy County Manager Administrative Services for Adams County. She indicated that she was in attendance to listen and observe the Retirement Board meeting.

SPECIAL PRESENTATION

None

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Board Meeting Minutes – May 1, 2018

Approval of Money Manager Fund Totals and US Bank Summary Reports – April 2018

Approval of Administrative Expenditures – June 5, 2018

Expenditures - \$ 154,473.88

Paid May Expenditures - \$2,050.96

Provided at Board Meeting:

Approval of Terminated Retirement Members Payout Report – May 2018

Moved by Board Member – Mr. Morgen

Seconded by Board Member – Mr. Voge

Unanimously carried

UNFINISHED BUSINESS

Education & Travel Policy - Approval

Ms. Haines stated that there were no comments made by the Board members to the latest Education & Travel Policy. She indicated that the Board could adopt the new policy today.

Mr. Voge moved to adopt the Education & Travel Policy for the Adams County Retirement Plan. Mr. Morgen second the motion and it was unanimously carried.

NEW BUSINESS

Davis Graham & Stubbs – Cindy Birley

IRS – Missing Participants and Beneficiaries and Required Minimum Distributions

Ms. Birley indicated that in October 2017 the IRS came out with a memorandum regarding missing participants, beneficiaries and Required Minimum Distributions. She stated that the memo directs examiners not to challenge a qualified plan as failing to satisfy the required minimum distribution standards under the Internal Revenue Code (IRC) § 401(a)(9) in certain circumstances. Ms. Birley indicated that for purposes of IRC § 401(a)(9), the examiners shall not challenge a qualified plan for violation of the RDM standards for the failure to commence or make a distribution to a participant or beneficiary to whom a payment is due, if the plan has taken the following steps:

- Searched plan and related plan, sponsor and publicly available records or directories for alternative contact information
- Used any of the search methods below:
 - A commercial locator service
 - A credit reporting agency or
 - A proprietary internet search tool for locating individuals
- Attempted contact via the United States Postal Service (USPS) certified mail to the last known mailing address and through appropriate means for any address or contact information

Ms. Birley stated that this memo gives some relief in case the Plan would ever find itself in that situation. She stated that the Retirement staff does a great job in tracking these individuals.

Gabriel Roeder Smith & Company – Paul Wood & Krysti Kiesel

January 1, 2018 Actuarial Valuation

Mr. Wood presented the Actuarial Valuation Report as of January 1, 2018 for the Adams County Retirement Plan. He continued by stating some of the highlights of the Valuation:

- Market value of assets return was more than the rate of return assumption
 - 13.4% return vs. 7.5% assumption
- Actuarial value of assets return was more than the rate of return assumption
 - 7.8% return vs. 7.5% assumption
 - Overall gain on actuarial value of assets due to the recognition of 2016 and 2017 asset gains offset the recognition of 2014 and 2015 asset losses.
- Contribution shortfall increased to 6.21% of payroll in 2018 from 4.50% of payroll in 2017 (shortfall is the difference between the actuarially determined contribution and the anticipated actual contribution)
 - Increase mainly attributable to change in assumptions
- 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 2018
- Funded ratio (ratio of assets to liabilities)
 - Market value funded ratio increased to 54.3% from 54% last year
 - Actuarial value funded ratio decreased to 53.6% from 56% last year

Ms. Kiesel continued by going over the information used in the valuation. She stated that the active and retiree population increased in 2018. Mr. Wood finished by stating that the Actuarially Determined Contribution rate increased to 24.21%. He indicated that this was due to the assumption changes made to the Plan.

STANDING REPORTS

Ellwood – Dale Connors & Andy Fiegel Monthly Investment Update

Mr. Fiegel indicated that equities were slightly positive in April 2018. He indicated that MLP's were up 8.1% due to the increase in oil. Mr. Fiegel stated that the Adams County Retirement Plan was at \$260,624,596 through April 2018.

Mr. Connors informed the Board that the reports now reflect Denver Investments new name change to Segall Bryant & Hamill. He indicated that Segall Bryant & Hamill are based out of Chicago, Illinois.

Davis Graham & Stubbs Legal Information Updates

None

Retirement Staff – Administrative Business PensionGold Teaming Conference Springfield, Illinois – September 17-21, 2018

Ms. Mathisen informed the Board that Retirement staff will be attending the PensionGold Teaming Conference which will be held September 17-21, 2018. She stated that this year the staff would like to take Megan Bennett, ITi, Adams County to the conference. Ms. Mathisen indicated that she is the Retirement Plan's support for the PensionGold system. She stated that this will give Megan an opportunity to meet the PensionGold staff and ask specific questions related to the Adams County Retirement Plan. Ms. Mathisen indicated that Megan is looking at upgrading the system from Crystal Reports to Access reporting.

OTHER BUSINESS

None

Mr. Dahlman moved to convene into Executive Session at 2:25 P.M. Pursuant to C.R.S. Section 24-6-402(4)(f)(I) and C.R.S. Section 24-6-402(4)(b) to discuss personnel matters and to receive legal advice regarding personnel matters. Mr. Morgen seconded the motion and it was unanimously carried.

EXECUTIVE SESSION

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

The Regular Board Meeting reconvened at 2:51 P.M. with all Board members, Ms. Mathisen and legal counsel present.

The Regular Board Meeting adjourned at 2:52 p.m.

Respectfully submitted,

Debbie Haines, Senior Retirement Benefits Specialist
(Corresponding Secretary)

NEXT BOARD MEETING

**TUESDAY, JULY 3, 2018
REGULAR BOARD MEETING
ADAMS COUNTY GOVERNMENT CENTER
4430 SOUTH ADAMS COUNTY PARKWAY
RETIREMENT CONFERENCE CENTER
BRIGHTON, COLORADO 80601**