

**ADAMS COUNTY RETIREMENT BOARD MEETING**

**MINUTES - REGULAR MEETING  
ZOOM MEETING**

**MAY 5, 2020**

**BOARD MEMBERS PRESENT**

Brent Voge – Chairman  
Alisha Reis – Vice Chairman – 1:18 P.M.  
Lisa Culpepper – Treasurer  
Marc Osborne

**BOARD MEMBERS EXCUSED**

**ADMINISTRATIVE STAFF**

Debbie Haines, Executive Director (Corresponding Secretary)

**ACTUARIAL STAFF**

Gabriel Roeder Smith – Paul Wood

**LEGAL COUNSEL**

Davis Graham & Stubbs – Cindy Birley

**INVESTMENT CONSULTANTS**

Ellwood Associates – Dale Connors  
Ellwood Associates – Andy Fiegel

**OTHER ATTENDEES**

Tim Rawal – CliftonLarsonAllen  
Susan Dobbs – Rangeview Library District  
Pernell Olson – Budget Department  
Sean Allegar – Sheriff’s Department

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**Called to Order: 12:19 P.M.**

**INTRODUCTION OF SPECIAL GUESTS/ATTENDEE’S**

None

**SPECIAL PRESENTATION**

None

## **EMPLOYEE/RETIREE CORRESPONDENCE**

None

## **REGULAR BUSINESS SESSION**

### **CONSENT AGENDA**

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

**Approval of Regular Board Meeting Minutes – March 3, 2020**

**Approval of Money Manager Fund Totals – March 2020**

**Provided at Board Meeting:**

**Approval of Terminated Retirement Members Payout Report – March & April 2020**

**Ratify of Administrative Expenditures – April 7, 2020 & May 5, 2020**

Expenditures - April - \$ 49,692.06

Expenditures – May - \$76,833.91

**Moved by Board Member – Ms. Culpepper**

**Seconded by Board Member – Mr. Osborne**

**Unanimously carried**

## **UNFINISHED BUSINESS**

None

## **NEW BUSINESS**

### **CliftonLarsonAllen – 2019 Financial Statements and Audit Report**

Mr. Rawal, Manager, CliftonLarsonAllen presented the December 31, 2019, Financial Statements in draft format for the Adams County Retirement Plan. Mr. Rawal indicated that he is waiting on some final numbers before they finalize the report. Mr. Rawal stated that CliftonLarsonAllen expressed an unmodified opinion on the financial statements.

Mr. Rawal then went over some of the financial statement highlights. He stated that the net position of the Adams County Retirement Plan increased for 2019 primarily a result of investment gains.

**Ellwood Associates – Dale Connors & Andy Fiegel**  
**2020 1<sup>st</sup> Quarter Performance Review**

Mr. Fiegel indicated that for the 1<sup>st</sup> quarter of 2020 stocks tumbled on COVID-19 fears. He stated that on February 19, 2020 the S&P recorded a high and then plummeted 34% in the next 23 trading days. Mr. Fiegel indicated that the collapse in negotiations between OPEC and Russia along with the COVID-19 fears was the straw that broke the camels back for the quarter. He stated that for the quarter the S&P 500 was down 19.6%, developed markets down 22.8%, emerging markets down 23.6% and bonds were up 3.1%.

Mr. Connors stated that through March 31, 2020 the Plan was down 11.50% at \$247,701,340. He indicated that most of the negative returns came from the public equity managers. Mr. Connors continued by going over each money manager.

**Ellwood Associates – Dale Connors**  
**Asset Allocation Study**

Mr. Connors indicated that Ellwood reviews the portfolio asset allocation with the Board of Retirement each year and revisits the Retirement Plan's unique circumstances and constraints. The asset allocation analysis includes revisiting the Board of Retirement's collective risk preferences as it relates to the Retirement Plan.

Ms. Reis – joined 1:18 P.M.

Mr. Connors stated looking at the 10 year capital market assumptions it is not much different than 2019 however it is leaning towards Private credits to return over 7.25%. Mr. Connors indicated that the current asset allocation target is expected to generate a 6.6% return at a standard deviation of 10.6%. The optimized portfolio would be expected to generate the assumed rate of 7.25% and would increase the standard deviation to 12.2% and increase public equity exposure by 9% (current target: 45%). If the assumed return target is lowered to 7% the optimized portfolio at this target reduces standard deviation to 10.3% and would reduce the target in public equities to 33%. Mr. Connors indicated that Ellwood is comfortable leaving the assumed rate of return at 7.25% but would also support a lower 7% target. He stated in order to increase the public equity allocation Ellwood recommends liquidating Parametric Defense Equity portfolio with the proceeds invested in the Vanguard Institutional Index Fund which would increase the target in the fund from 20% to 25% of assets. He also stated that there be a consideration of a strategic addition to high yield bonds. After some discussion, the Board agreed with Ellwood's recommendation.

Ms. Culpepper moved to terminate Parametric Defense Equity and invest the proceeds in Vanguard Institutional Index Fund and terminate Metropolitan Total Return Bond fund and use the proceeds to purchase Blackrock High Yield Bond fund. Mr. Osborne seconded the motion and it was unanimously carried.

Ms. Culpepper – left at 1:30 P.M.

**Davis Graham & Stubbs – Cindy Birley  
Adams County Retirement Bylaws**

Ms. Birley stated with the retirement of Jim Morgen, Board member it now leaves a vacancy on the Board of Retirement. Due to the pandemic with offices/buildings closed she has updated the Bylaws to reflect any appointment or election required because of a vacancy may be delayed for up to six months from the date of such vacancy. Ms. Birley indicated that this will give the Retirement staff an opportunity to look at different solutions for the Board election.

Mr. Osborne moved to approve an update to Section 15 of the Bylaws indicating any appointment or election required because of a vacancy may be delayed for up to six months from the date of such vacancy. Ms. Reis seconded the motion and it unanimously carried.

**Cares Act/Secure Act**

Ms. Birley clarified that even though the Cares Act suspends Required Minimum Distributions for a Defined Contribution Plan it does not for a Defined Benefit Plan. She indicated that people were thinking that they would not need to take an RMD this year. Ms. Birley stated that under the Cares Act there is a COVID distribution for Plans. However, Plan would need to amend the Plan Document and the Retirement software would need reprogramed for this short period of time. Ms. Birley indicated that she is not aware of a single defined benefit plan doing this. Ms. Birley indicated with regards to the Secure Act that everyone is going to age 72 and not staying at age 70 ½ for the RMD's. She wanted to confirm this with the Board. The Board agreed to move to age 72 for the RMD's.

**Metropolitan West Total Return Bond/Segall Bryant & Hamill – Debbie Haines  
Ratify Electronic Vote into Board Meeting Minutes**

**Motion**

In consideration of Ellwood's recommendation, I move in favor of reducing the Metropolitan West Total Return Bond mutual fund investment by \$ 6 million and directing Segall Bryant & Hamill to invest the \$ 6 million in credit securities in their portfolio

**Board member tally**

Brent Voge – Aye – April 1, 2020 at 2:16 P.M.  
Jim Morgen – Aye – April 1, 2020 at 1:36 P.M.  
Marc Osborne – Aye – April 1, 2020 at 3:06 P.M.  
Alisha Reis – Aye – April 1, 2020 at 3:33 P.M.  
Lisa Culpepper – Aye – April 1, 2020 at 2:04 P.M.

Mr. Osborne moved to ratify the motion in the Board minutes. Ms. Reis seconded the motion.

Alisha Reis – Aye  
Marc Osborne – Aye  
Brent Voge – Aye

## **STANDING REPORTS**

### **Ellwood Associates Monthly Investment Update**

None

### **Gabriel Roeder Smith Actuarial Update**

Mr. Wood stated that he will present the Actuarial Valuation next month. He will also talk about what the impact of the COVID-19 has done to the Plan.

### **Davis Graham & Stubbs Legal Update**

None

### **Retirement Staff – Administrative Business**

Ms. Haines informed the Board that Ms. Miles turned in her resignation effective April 30, 2020. She stated that she will now work with P&C to get the position posted. Ms. Haines asked the Board if she could post this position internal? The Board agreed.

**The Regular Board Meeting adjourned at 1:56 p.m.**

Respectfully submitted,

Debbie Haines, Executive Director  
(Corresponding Secretary)

## **NEXT BOARD MEETING**

**TUESDAY, JUNE 2, 2020  
REGULAR BOARD MEETING  
ZOOM MEETING**