

ADAMS COUNTY RETIREMENT BOARD MEETING

**MINUTES - REGULAR MEETING
MICROSOFT TEAM MEETING**

OCTOBER 6, 2020

BOARD MEMBERS PRESENT

Brent Voge – Chairman
Alisha Reis – Vice Chairman – 2:06 P.M.
Marc Osborne
Sean Allegar – New Board Member

BOARD MEMBERS EXCUSED

Lisa Culpepper – Treasurer

ADMINISTRATIVE STAFF

Debbie Haines, Executive Director (Corresponding Secretary)
Michele Riggin – Retirement Benefits Specialist

ACTUARIAL STAFF

Gabriel Roeder Smith – Paul Wood

LEGAL COUNSEL

Davis Graham & Stubbs – Cindy Birley
Davis Graham & Stubbs – Peter Rose

INVESTMENT CONSULTANTS

Ellwood Associates – Dale Connors
Ellwood Associates – Andy Fiegel

OTHER ATTENDEES

Susan Dobbs – Rangeview Library
Lindsay Saieuni – Financial Investment News

Called to Order: 1:32 P.M.

INTRODUCTION OF SPECIAL GUESTS/ATTENDEE'S

Mr. Voge welcomed the newest member to the Board of Retirement Sean Allegar, Sheriff's Office. Mr. Allegar indicated that he was excited to be here and looking forward to serving on the Board.

SPECIAL PRESENTATION

None

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Regular Board Meeting Minutes – September 1 2020
Approval of Money Manager Fund Totals – July & August 2020

Provided at Board Meeting:
Approval of Terminated Retirement Members Payout Report – September 2020

Ratify of Administrative Expenditures – October 6, 2020
Expenditures - \$43,469.16

Unanimously carried.

UNFINISHED BUSINESS

None

NEW BUSINESS

Adams County Board of Retirement Board Member Election Results – Debbie Haines

Ms. Haines stated that included in the Board packet was a copy of the Board member election results. She indicated that with the election being done electronically there were just a few glitches. Ms. Haines wanted to thank Crystal Hoffner, ITi department for her help in getting the election done. She stated that without her help this would not have been easy to accomplish.

Board Member Appointment Letter (Draft) – Debbie Haines

Ms. Haines stated that included in the Board packet was a draft copy of a reappointment letter for Brent Voge. She indicated that Mr. Voge's position to serve on the Board of Retirement is up January 2021. Ms. Haines indicated that in the past the Board has sent a letter to the Board of County Commissioners (BoCC) recommending reappointment of Board members. After some discussion, the Board wanted to wait until Ms. Reis joined the meeting to see if she agreed.

Davis Graham & Stubbs – Cindy Birley
Redlined – Amendment No. One to the Adams County Retirement Plan

Ms. Birley stated that included in the Board packet was a redlined copy of Amendment No. One to the Adams County Retirement Plan. She indicated the change is in the compensation section of the Plan Document to include compensation paid under the EPSL and EFMLA codes.

Ms. Birley indicated that she will wait to have the Board sign the amendment just in case there are other changes before the end of the year. She stated that in December the Board will need to sign the documents but as of today no action needed.

New Withholding Regulations

Ms. Birley indicated that the IRS in July 2020 had redesigned the 2021-W4P. However, the pension community raised concerns to the IRS about reprogramming their retirement systems to accommodate this change effective 2021. She stated that currently if you retired and did not complete a W4P the default for withholding was married claiming 3. The IRS came back and stated that the 2021-W4P will look like the 2020-W4P which will give the pension community time to reprogram their systems, if needed. Ms. Birley stated that she wanted the Retirement staff to be aware of this future change.

Gabriel Roeder Smith – Paul Wood
PBGC Announcement

Mr. Wood indicated that the Adams County Retirement Plan utilizes various interest rates and mortality tables for certain calculations within the Plan. He stated that these assumptions are defined under the “Actuarial Equivalent” section of Article 2 of the Plan Document. The Pension Benefit Guaranty Corporation (PBGC) announced that it will no longer be publishing the immediate annuity rate. Mr. Wood indicated that the PBGC rate is typically a relatively low rate and is used throughout the Plan. He went through two main areas that this rate is used through the Plan, 1) Rehired Retirees and 2) Employer Withdrawal and Plan Termination. Mr. Wood indicated that the PBGC provided in their final ruling a table for plans to use to determine interest assumptions in accordance with PBGC’s historical methodology. He stated that GRS feels that this is a reasonable approach and one that would result in the least disruptions to the Plan and would be to rely on this historical methodology to calculate the rate used each Plan year. After some discussion, the Board agreed to continue to use the historical methodology to keep it consistent with what the Plan has already done.

Ms. Birley stated that she will look at the language in the Plan Document and determine whether any changes need to be made to the Plan Document or if the current language will work.

Actuarial Equivalence Factors

Mr. Wood stated another consideration regarding the Actuarial Equivalence factors is that the Plan provides various payment options for the member at the time of retirement. He stated that when a retired member is rehired and subsequently retires, the benefit is reduced for payments already made to the member. He indicated that in both calculations, certain mortality and interest rate assumptions are used. Mr. Wood stated that at one point these were the assumptions used by the Plan as part of the valuation process. However, the Board has

since updated the valuation assumptions. Mr. Wood indicated that given the PBGC rate methodology is changing and the Plan Document may need to be updated GRS would recommend that the Board contemplate the impact of updating the assumptions used for purposes of calculating actuarial equivalence in instances where the PBGC rate is not used. After some discussion, Mr. Wood will bring a comparison between the old and new assumptions at the next Board meeting to show the impact it might have on the Plan.

Continued – Board Member Appointment Letter

After some discussion, the Board agreed to send the reappointment letter recommending Mr. Voge be reappointed by the BoCC. The Board asked Ms. Haines to prepare and give to Ms. Reis and she would forward it on to the County Manager.

Ms. Reis moved to accept the reappointment letter as drafted recommending Mr. Voge be reappointed by the BoCC to serve on the Board of Retirement another 4 years. Mr. Osborne seconded the motion, and it was unanimously carried.

STANDING REPORTS

Ellwood Associates Monthly Investment Update

Mr. Fiegel stated that August 2020 performance was good. He indicated that the overall market rallied partly because of better than expected 2nd quarter earnings. Mr. Fiegel stated that US equities did continue to lead the way with growth stocks up 10%. Mr. Connors continued by saying the Plan was up 3.2% through August 2020. He stated that the Adams County Retirement Plan through August 2020 was at \$287,758,599.

Davis Graham & Stubbs Legal Update

Ms. Birley indicated that the Plan has had an international tax issue come up with Greenspring. Mr. Rose, DGS continued by saying that Greenspring is invested in South Korea and like many countries Korea has a withholding tax regime applicable to capital gains that are earned in Korea. When gains are earned by foreign entities, they are subject to withholding. The US & Korea have a tax treaty that reduces the withholding rate however he stated you really want an exemption. Mr. Rose stated that Greenspring is asking the Plan to complete a Power of Attorney appointing a Korean attorney as the agent of the Plan. Mr. Rose gave some background to the Board on the different filing forms that could be generated. After discussion, the Board would like DGS continue working on the tax forms on behalf of the Plan.

Mr. Allegar moved to authorize DGS to proceed on handling the US & Korean tax forms with respect to Greenspring. Mr. Osborne seconded the motion, and it was unanimously carried.

**Gabriel Roeder Smith
Actuarial Update**

None

Retirement Staff – Administrative Business

None

Other Business

None

Mr. Voge moved to convene into Executive Session at 2:53 P.M. Pursuant to C.R.S. Sections 24-6-402(4)(b) to receive legal advice on specific legal questions. Ms. Reis seconded the motion, and it was unanimously carried

EXECUTIVE SESSION

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

The Regular Board Meeting reconvened at 3:07 P.M. with all Board members, Retirement staff and legal counsel present.

Mr. Voge moved to accept the 20 credit hours towards future service requests from PensionGold related to the reporting issue with the 1099R's in addition to the correction of the four 1099R's for 2020 at no charge. Mr. Osborne seconded the motion and it unanimously carried.

The Regular Board Meeting adjourned at 3:08 p.m.

Respectfully submitted,

Debbie Haines, Executive Director
(Corresponding Secretary)

NEXT BOARD MEETING

**TUESDAY, NOVEMBER 3, 2020
REGULAR BOARD MEETING
MICROSOFT TEAMS MEETING**