

ADAMS COUNTY RETIREMENT BOARD MEETING

**MINUTES - REGULAR MEETING
MICROSOFT TEAM MEETING**

APRIL 6, 2021

BOARD MEMBERS PRESENT

Marc Osborne - Chairman
Lisa Culpepper – Treasurer
Sean Allegar

BOARD MEMBERS EXCUSED

Alisha Reis – Vice Chairman

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

INVESTMENT CONSULTANTS

Ellwood Associates – Dale Connors

OTHER ATTENDEES

Susan Dobbs – Rangeview Library
Lauren Albanese – Financial Investment News

Called to Order: 1:31 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 2, 2021

Approval of Money Manager Fund Totals – February 2021

Provided at Board Meeting:

Approval of Terminated Retirement Members Payout Report – March 2021

Ratify of Administrative Expenditures – April 6, 2021

Expenditures - \$ 35,006.23

Moved by Board Member – Ms. Culpepper

Seconded by Board Member – Mr. Allegar

Sean Allegar – Aye

Lisa Culpepper – Aye

Marc Osborne – Aye

UNFINISHED BUSINESS

Board of Retirement Vacancy – Alisha Reis

Mr. Osborne and Ms. Haines indicated that they have not heard anything on the BoCC's decision to reappoint the vacancy left by Mr. Voge. Since Ms. Reis is not in attendance today the Board will table the discussion until the May 2021 Board meeting.

NEW BUSINESS

Board of Retirement Meeting Schedule Discussion

The Board will table the meeting schedule discussion until the May 2021 Board meeting.

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.

Mr. Connors indicated that the current asset allocation target in a 10-year period is expected to generate 6% return at a standard deviation of 11%. However, if you take the current asset allocation out 20 years it is expected to generate a 7.5% return at a standard deviation of 11%. Mr. Connors indicated that the modeling suggests that the assumed return of 7.25% is potentially not achievable over the next 10 years but is reasonable as a long-term assumption. Mr. Connors stated that given the asset allocation modeling results Ellwood recommends increasing the Private Equity exposure by 5% to 10% of Plan assets target and reducing the fixed rate debt allocation target from 15% to 10% of Plan assets and target 5% of Plan assets in floating rate public debt. He indicated that the reduction should be used to reinitiate an investment in the Barings Global Floating Rate Fund. This recommendation provides a higher expected return and protects the Plan should inflation and interest rates continue to rise. After some discussion, the Board agreed with Ellwood's recommendation.

Ms. Culpepper moved to increase the Private Equity exposure by 5% to 10% of Plan assets target and reduce the fixed rate debt allocation target from 15% to 10% of Plan assets and target 5% of Plan assets in floating rate public debt. The reduction will be used to reinitiate an investment in Barings Global Floating Rate Fund. Mr. Allegar seconded the motion.

Sean Allegar – Aye
Lisa Culpepper – Aye
Marc Osborne – Aye

Davis Graham & Stubbs – Cindy Birley
American Rescue Plan Act

Ms. Birley indicated that the American Rescue Plan Act included the vaccinations, stimulus checks and subsidized COBRA coverage just to name a few. She stated that this Act does not affect the Adams County Retirement Plan.

STANDING REPORTS

Ellwood Associates
Monthly Investment Update

Mr. Connors stated that there was a recover in the equity markets especially in the mid cap and small cap stocks in February 2021. However, the fixed rate bonds continue to be negative with the rising of interest rates. Mr. Connors indicated that through February 2021 the Plan was up 1.2% at \$314,378,076.

**Davis Graham & Stubbs
Legal Update**

None

**Gabriel Roeder Smith
Actuarial Update**

Mr. Wood stated that they are waiting on the audited Financials and once they receive a copy then will be working on the GASB 67 report and then will be wrapping up the valuation on the Adams County Retirement Plan. He commented on Ellwood's presentation about the 7.25% return assumption saying there needs to be a balance between short term and long term. Mr. Wood stated that in June 2021 he will bring different projections to see what the difference might be between each projection. He indicated that the Adams County Retirement Plan has a couple things going in the Plan's favor compared to our peer plans. He stated that the Plan is on a nice trajectory for the funded ratio and the commitment from the County to increase the employer contributions up to 11% in the next few years will help offset any market fluctuations over the next 10 years.

**Retirement Staff – Administrative Business
Administrative Update**

Ms. Haines asked the Board if she could bring in Mr. Knox, retiree to help with the scanning that needs to take place in the Retirement Office. After some discussion, the Board feels that Ms. Haines should make this determination without seeking the Board's approval if it is within the Retirement budget.

Ms. Culpepper moved to give Ms. Haines the authority to hire temp help as she sees fit without bringing it to the Board if it is within the Retirement budget. Mr. Allegar seconded the motion.

Sean Allegar – Aye
Lisa Culpepper – Aye
Marc Osborne – Aye

Other Business

None

EXECUTIVE SESSION

None

The Regular Board Meeting adjourned at 2:24 p.m.

Respectfully submitted,

Debbie Haines, Executive Director
(Corresponding Secretary)

NEXT BOARD MEETING

**TUESDAY, MAY 4, 2021
REGULAR BOARD MEETING
4430 S. ADAMS COUNTY PKWY
BRIGHTON, COLORADO**