

**ADAMS COUNTY RETIREMENT BOARD MEETING
MINUTES - REGULAR MEETING
RETIREMENT CONFERENCE ROOM
BRIGHTON, CO 80601**

MARCH 2, 2023

BOARD MEMBERS PRESENT

Pernell Olson - Chairman
Marc Osborne -Vice Chairman
Alex Villagran – Treasurer
Sean Allegar – Secretary
Alisha Reis

BOARD MEMBERS EXCUSED

ADMINISTRATIVE STAFF

Debbie Haines – Executive Director (Corresponding Secretary)

ACTUARIAL STAFF

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

LEGAL COUNSEL

Davis Graham & Stubbs – Cindy Birley

INVESTMENT CONSULTANTS

CAPTRUST – Dale Connors

OTHER ATTENDEES

Susan Dobbs – Rangeview Library District

Called to Order: 1:31 P.M.

INTRODUCTION OF SPECIAL GUESTS/ATTENDEE'S

None

SPECIAL PRESENTATION

None

EMPLOYEE/RETIREE CORRESPONDENCE

None

REGULAR BUSINESS SESSION

None

CONSENT AGENDA

Consent Agenda: Distributed by E-Mail

Approval of Regular Board Meeting Minutes – February 2, 2023

Approval of Money Manager Fund Totals – December 2022

Provided at Board Meeting:

Approval of Terminated Retirement Members Payout Report – February 2023

Ratify of Administrative Expenditures – March 2, 2023

Expenditures - \$ 29,049.96

Paid February Expenditures - \$3.00

Moved by Board Member – Ms. Reis

Seconded by Board Member – Mr. Osborne

Unanimously carried.

UNFINISHED BUSINESS

None

NEW BUSINESS

Gabriel Roeder Smith – Paul Wood & Krysti Kiesel

Actuarial Refresher

Mr. Wood stated every few years Gabriel Roeder Smith gives an Actuarial Refresher to the Board of Retirement. Ms. Kiesel, Gabriel Roeder Smith then proceeded by giving the Basic Retirement Funding Equation which is: C (Contribution income) + I (Investment return) = B (Benefits paid) + E (Expenses). She indicated that Contribution income depends on short term: actuarial assumptions, actuarial cost method and statutory fixed rate and long term: I , B , E . She then stated that benefits depend on plan provisions and actual experience. Ms. Kiesel continued by going over the remainder of the presentation with the Board.

Mr. Wood stated that Gabriel Roeder Smith will be doing an Experience Study on the Adams County Retirement Plan. He indicated that 2018 was the last study done on the Plan.

CAPTRUST – Dale Connors

Asset Allocation Study

Mr. Connors reviews the portfolio asset allocation with the Board of Retirement each year. He indicated that the current asset allocation target is expected to generate a 7.44% return at a standard deviation of 10.65%. Mr. Connors stated that all optimized portfolios presented are expected to have lower volatility than the current asset allocation structure due to the shifts towards debt allocations. Mr. Connors noted the ten year forward modeling assumptions for 2023 shifted significantly from 2022 after the dismal stock and bond market results last year. He stated the noteworthy increase in expected returns for debt securities, especially for core bonds, produced

study results that recommend a large shift to debt allocations. Mr. Connors stated that the significant shifts from 2022, CAPTRUST recommends phased adjustments to the asset allocation towards the optimized mix that is expected to return 7.25%. CAPTRUST recommends initially lowering the public equity exposure to 40% and increasing the target core fixed income allocation to 20%, with any further moves towards the optimal allocation recommendation to be reviewed later in 2023. They do not recommend increasing private investment targets to the maximums allowed.

Mr. Allegar moved to lower the public equity exposure to 40% and increasing the target core fixed income allocation to 20%, with any further moves towards the optimal allocation recommendation to be reviewed later in 2023. Ms. Reis seconded the motion, and it was unanimously approved.

STANDING REPORTS

CAPTRUST – Dale Connors Monthly Investment Update

Mr. Connors indicated that January 2023 was a strong month growth stocks outperformed value stocks. He stated that overseas returns were up due to the interest rates coming down and the dollar weakening. Mr. Connors finished by saying the Adams County Retirement Plan ended January 2023 up 3.9% at \$337,746,860.

Davis Graham & Stubbs – Cindy Birley Legal Update

Ms. Birley gave an update regarding House Bill 23-1016. She stated that it will be going from Committee on Finance to Appropriations but has not as of today. Ms. Reis indicated that the lobbyists for Adams County found out that they will not incorporate local government plans back into the bill this year because of the fiscal note. She stated that Adams County legislative staff will be watching for any future developments.

Ms. Birley reminded the Board that for the April 2023 Board meeting Davis Graham & Stubbs would do the Fiduciary training for the Board. After some discussion, the training will be move to the May 2023 Board meeting since Ms. Reis will miss the April 2023 Board meeting.

Gabriel Roeder Smith – Paul Wood Actuarial Update

None

Retirement Staff – Ms. Haines Administrative Update

Ms. Haines informed the Board that CliftonLarsonAllen has started the audit on the Adams County Retirement Plan. She stated that Molly Quinn, CLA was out last week to do some onsite testing.

Ms. Haines informed the Board that she has hired a temp-retiree to help with the scanning for the Retirement office.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

The Regular Board Meeting adjourned at 2:50 p.m.

Respectfully submitted,

Debbie Haines
Executive Director (Corresponding Secretary)

NEXT BOARD MEETING

**THURSDAY, APRIL 6, 2023
REGULAR BOARD MEETING
4430 S. ADAMS COUNTY PKWY
RETIREMENT CONFERENCE ROOM
BRIGHTON, COLORADO**