

## RETIREMENT BOARD MEETING MINUTES

**Date:** December 10, 2018

**Location:** 200 W Oak St, Fort Collins, CO; Lake Estes Conference Room, 3<sup>rd</sup> Floor

Board Members	TIAA/Innovest Representatives	HR/Finance Representatives	Guests
Nancy Baker	Brenton Becker	Kathy Harris	
John Feyen	Jerry Huggins	Alex LeBlanc	
Irene Josey	Paul Krajcir	Lorrie Lopez	
Bruce Peters, Chairman	Aaron Knode		
Jim Saulnier	Jared Martin		

The meeting was called to order at 9:01 a.m.

Minutes approved as amended.

During public comment, Irene Josey presented Bruce Peters with a certificate of appreciation for his eight years of service as Board member and chairman. Bruce Peters expressed final thoughts regarding his disappointment in the Board's motion to allow real estate loans.

Innovest presented the Participant fee credit review for both Q2 and Q3. The beginning balance for Q3 was \$146,012 as of June 30, 2018 and ended at \$147,079 as September 30, 2018, due to investment income, fees from participants, and expense payments made to Innovest for professional services.

HR provided documentation that the plan deposits were distributed, received, and posted.

The following terminations were reviewed:

Aberle, Sarah R.	Cornejo, Janet	Lewis, Patricia J.	Ramey, Christopher S.
Anderson, Cynthia S.	Cowley, Christal	Mayhew, Robin A.	Roberts, Candance D.
Burenheide, Kyle L.	Gilden, Penny J.	Moore, Mary L.	Rood, Matthew
Byers, Susanne L.	Hulett, Joshua T.	Neff, David E.	Spitz, Shawn M.
Castle, Alice L.	Jordan, Brandon M.	Ness, Carmen A.	Thompson, Lydia M.
Clark, Terrence R.	Juneau, Yazmin A.	O'Connor, Bailey M.	Watson, Margaret A.
Corio, Jennifer A	Kottmeyer, Derek L.	Pfeiffer, Ryan J.	Welton, Eric T.



Bruce Peters presented outstanding items and recommendations for the upcoming Board upon his departure:

- Recommendation to reconsider the loan option decision
- Recommendation to review forfeiture formula
- Recommendation to disburse excess money from revenue credit account
- Recommendation to have an open engagement/relationship with a retirement plan attorney
- Recommend following through with TIAA Systematic Withdrawals for In Service Withdrawals
- Recommendation that all board members, especially new ones
  - attend NAGDCA
  - attend the vendor forum (TIAA)
  - attend the CPPC conference
  - become educated on Governmental Retirement Plans through InFre
- Recommend pursuit of a retiree board member (or two)

After the last board meeting, there was much discussion between the Board, Innovest, TIAA, the Larimer County Attorney, and a retirement plan attorney, Kathleen Odle, regarding LETAs request. Bruce Peters reviewed a statement written by the retirement plan attorney. The Board and attendees discussed in depth and with suggested changes agreed upon a response:

*On behalf of the Larimer County Retirement Board (the "Board"), which has full authority over the Larimer County Contributory Retirement Plan (the "Larimer Plan"), the Board has approved (or will approve, at the December 10, 2018, Board meeting) the direct trustee-to-trustee transfer of all vested and unvested accounts in the Larimer Plan held by employees whose employment will be transferred from Larimer County to Larimer Emergency Telephone Authority ("LETA"). Such transfer of accounts will occur after LETA has established its own retirement plan that is a qualified retirement plan under Section 401(a) of the Internal Revenue Code (since transfers of Larimer Plan assets can only be made to another 401(a) plan), provided that the Board has been provided reasonable advance notice of the proposed transfer date. It is understood that LETA will establish its own retirement plan reasonably promptly after the end of 2018. As clarification, no further contributions will be made for hours worked after 12/31/2018 to the Larimer Plan on behalf of those LETA employees for any period after December 31, 2018, and the LETA employees whose employment is transferred from Larimer County to LETA will be treated as "terminated" employees in the Larimer Plan's records effective upon transfer of assets to the new LETA plan.*

John Feyen moved to approve the above response letter be sent to LETA's attorney. Irene Josey seconded. All agreed, and the motioned carried. Bruce Peters will send the LETA attorney information regarding the motion and include all the Board on the communication.

LETA must provide the information to the Board and HR to facilitate the direct transfer of retirement funds to the new retirement funds.



TIAA presented the third quarter review as of September 30, 2018. The total plan assets for the 401a are \$240,323,484.40 with \$18,067,359 in total contributions. TIAA noted that as of December 7, 2018, the total plan assets for the 401a were closer to 224.8 million dollars. The TIAA communications team will be working with the HR Benefits team to launch a first quarter digital campaign focused on financial IQ and registering and viewing accounts online.

TIAA is on track to activate the approved Target Date Fund change to American Funds on February 8 with a mandatory 30 day-advance notice in January.

TIAA reminded the Board that the Revenue Credit Account (RCA) can be distributed to remaining participants at their discretion. This money may be distributed in a flat-dollar amount or “pro rata” (higher balance gets higher share); most plan sponsors choose pro rata distribution. The current balance can also be used for plan-related expenses.

The current 2018 Retirement Board administration budget is \$33,628, which is similar to what the 2019 budget will be. The current expense actuals are \$25,346, which includes audit expenses, travel and training, and printing and mailing services for the Board election.

The RCA balance as of December 5, 2018 is \$147,908.96. Irene Josey moved to distribute \$135,000 from the RCA to participants. Jim Saulnier seconded. The Board briefly discussed and made a unanimous friendly amendment to add “to be distributed pro rata”. All agreed, and the motion carried. TIAA noted that this will be labeled as a “plan service credits” to participants in their quarterly statement.

The Board took a recess at 10:14 a.m.

The Board resumed the meeting at 10:20 a.m.

Innovest presented their third quarter review. Going forward, Innovest will be doing their fiduciary education as part of the topics and trends section of the quarterly report.

For fiduciary education, Innovest focused on who is a retirement plan fiduciary, and what are their functions and duties. The main duties are of loyalty (solely in the interest of the participants and beneficiaries), and of prudence. Innovest reviewed a prudent process that will reduce fiduciary liability, which includes analyzing, strategizing, formalizing, implementing, and monitoring.

The Board took a recess at 11:07 a.m.

The Board resumed the meeting at 11:14 a.m.

The new board chair elections will be postponed until January. Irene Josey will facilitate the transition and communications for an initial meeting in January.

The retirement board member ballots will be counted tomorrow, December 11, 2018. Irene Josey will reach out to the elected members to finalize an introductory January meeting date, likely the first or second Monday in January. During this meeting, dates will be set and the Chair and Vice-Chair will be selected.



While he has not heard official confirmation of his re-appointment, Jim Saulnier reported that he has stated he would accept the re-appointment with the Board with intentions to resign before the four-year term ends due to a high work volume with his business.

TIAA will check with internal processors about what is needed for any future date transactions during the Board transition.

Finance will reach out to the Board in January to communicate with the new Chair to discuss the upcoming audit. Bruce Peters will make himself available for any questions or business up to December 31, 2018.

The meeting adjourned at 11:32 a.m.

Respectfully submitted,  
Lauren Mehl