

## RETIREMENT BOARD MEETING MINUTES

**Date:** February 3, 2020

**Location:** 200 W Oak St, Fort Collins, CO; Lake Loveland, 2<sup>nd</sup> Floor

Board Members	TIAA/Innovest Representatives	HR/Finance Representatives	Guests
Nancy Baker	Paul Krajcir	Kathy Harris	Jennifer Glover
Matthew Behunin	Chris Meyer		Marcy Hamilton
Irene Josey	Gordon Tewell		Paula Bennett
Jim Saulnier			
Laura Walker			

The meeting was called to order at 10:00 a.m.

Minutes were approved as submitted.

Public comment. None

Update on retirement board elections. Paula Bennett presented an update on a digital voting process to allow the board elections to be moved from a paper process to an electronic process. Paula confirmed that there are no security concerns. Marcy Hamilton and Jennifer Glover provided a visual representation of what the voting process would look like including a view of the participant experience and the summary result reports. A discussion of the availability of in process results was held. View access can be limited to only administrators versus all board members. It was indicated that no detailed documentation exists of the current requirements on the process and some details may need to be established should the board adopt the process. The process is flexible enough to handle multiple votes for positions as required.

Plan deposits and terminations were reported. Ms. Walker noted that more terminations occurred during in this report. It was highlighted that it was a November into January report.

Document storage. The County attorney was comfortable with the use of Innovault. They did indicate that the board should be comfortable with the security of the platform as well assess necessary meet any CORA requests. Innovest confirmed that this is the boards data and they own the data, so access is not an issue. Innovest to send information on the security of Innovault. Ms. Walker indicated she viewed Innovault and was comfortable with the access and availability of documents. The discussion moved to continued storage of records by the County and the board. Ms. Walker discussed the possibility of the County holding older records while newer records could be retained in Innovault. The board held a discussion of which records should be held for





perpetuity or can be held for a shorter time frame. Mr. Behunin to take the lead on research of the records and retention requirements in State statutes and County ordinance.

#### New Business.

Innovest reviewed the quarterly performance report. Mr. Tewell reviewed the capital markets and plan information including the Topics and Trends for the quarter which included the evolution of target date funds and the slightly different process needed to analyze these products versus a traditional investment. Mr. Tewell noted that the board made a change in the plan's target date fund not too long ago due to concerns about turnover on team managing the previously utilized funds and a change in the philosophy as to how the previous fund were invested. Mr. Tewell covered the plan summary, fee review, the menu coverage page and plan asset allocation. A brief discussion was held regarding the methodology of environmental, social and governance and how they screen stocks as well as try to invest more heavily in the stocks of those companies that have a positive impact in these areas.

Mr. Meyer noted that the AQR International Fund has a new minor concern for performance reflecting that it has underperformed over the 3- and 5- year cumulative timeframes. The fund had a good quarter of performance as measured against its peers and benchmark, but a difficult year caused the fund to dip below the minor concern thresholds. Mr. Meyer indicated that all other concerns were existing concerns which were reviewed and discussed last quarter and are all minor concerns. Regarding the table of returns Mr. Meyers noted the absolute returns of the equity investments. It was a very strong year. Results for the plans investments were mixed with some very strong relative performance and some poor performance as measured against peers. Mr. Meyer also discussed the Templeton Foreign Fund which had a particularly poor year. The fund tends to either be one of the best performing funds or one of the worst performing funds on year by year basis. If investors can withstand the year to year volatility, over the long term performs quite well. Overall, there is no recommendation to consider changes to the plan investment menu.

Mr. Tewell provided a copy of the distribution checklist to the board. The board requested that the distribution checklist be provided to them in an electronic format.

Mr. Buhunin discussed the need to provide an update to the Investment Policy Statement, Mr. Tewell indicated that it is on Innovest's calendar to update for the 2<sup>nd</sup> quarter 2020 report. Mr. Behunin noted that he would distribute the most recent version. Ms. Baker noted that it was reviewed last year. The board decided to review per the Innovest calendar during the 2<sup>nd</sup> quarter 2020 meeting.

Mr. Behunin also discussed the need to issue an RFP for the Investment Consultant as the contact will be completing its end during 2020. This and the board elections are on the calendar for 2020.

Lastly, the idea of participant communication was raised and the ideas of either a participant survey or a focus group on how to improve plan information. The idea of how to improve the understanding of the plan and communication around the plan being the focus of these items. Mr. Tewell indicated that Innovest facilitated a survey for the 457(b) plan recently as can assist as needed on one for the 401(a) plan. There was some discussion of the responsibilities of the board



and whether promoting the plan and creating an understanding of the benefit is the responsibility of the board or whether the responsibility for assisting employees in understanding the plan and promoting the plan may fall to the Human Resources Department. Ms. Walked discussed board embers possibly doing some personal outreach to department heads regarding the new election process for the board with the hopes of creating interest around the plan.

Mr. Josey discussed two concerns regarding some transactional items with TIAA. A participant was instituting a loan and the amortization schedule was not in-line with the County's payroll schedule. The item was elevated and resolved. The second item involved the movement of assets within the self-directed brokerage accounts. Mr. Krajcir addressed the issues and indicated that the transaction processes should no longer be an issue. Lastly the issue of older checks issued from Pershing on behalf of PIMCO regarding a fee pricing error on a PIMCO fund which occurred in the past. It appears that the checks from Pershing may have issued the checks incorrectly. Mr. Saulnier and Mr. Krajcir offered to assist in trying to have one check deposited into the plan and have other checks reissued in the proper name.

The meeting adjourned at 11:48 a.m.

Respectfully submitted,  
Innovest Portfolio Solutions LLC