

JAMES M. CONCIALDI, CH
Appointed Representative

JOEL THOMPSON
Plan Administrator



KATHY KOEN
Elected Representative

MARK MEARS
Elected Representative

ADELBERT OLIVAS
County Treasurer

JUDY A. MARTINEZ
Appointed Representative

**BOARD OF RETIREMENT
PUEBLO COUNTY, COLORADO
MINUTES
July 29, 2019**

ROLL CALL

Board of Directors:

James Concialdi, CH	Present
Kathy Koen, VC	Present
Judy Martinez	Proxy
Mark Mears	Absent
Del Olivas	Present

Also in attendance:

Dale Connors	Ellwood
Marci Day	Pueblo County Attorney's
Andy Fiegel	Ellwood
Terry Hart	Commissioner
David Kershner	Buck
Cindy Jones	Retirement Benefit Specialist
Todd Mihelich	MGPM
Joel Thompson	Plan Administrator
K.C. Tucker	Employee
Sean Youngblood	MGPM

CALL TO ORDER

A quorum was established and Mr. James Concialdi, Chair, called the meeting to order at 1:02 p.m.

APPROVAL OF CONSENT AGENDA

Mr. Concialdi asked for approval of the consent agenda sent to the Board ahead of the meeting. Mr. Olivas moved for approval. Ms. Koen seconded and the Board approved.

ACTUARIAL VALUATION FOR JANUARY 1, 2019 – BUCK

Mr. David Kershner, Principal, Consulting Actuary from Buck Consultants presented the 2019 Actuarial Valuation Results (attached). The reporting year – 2018 was not kind to pension plans as investment returns netted negative numbers for the year, generating a -market loss of -3.2% which yielded an actuarial asset loss of \$4.3 Million. On the liability side, the Plan lost an additional \$1.9 Million based on several factors. Retirements exceeded the expected amount, which accounted for \$.6 Million of the liability loss. The losses for this year's valuation will be recognized at 20% per year for five years.

The funded ratio on an actuarial value of assets basis dropped from 63.6% in 2018 to 61.4% in 2019.

Mr. Kershner recommends to the Board that we perform an experience study to determine how closely our mortality tables match our actual experience. Typically, Plans run the experience study every five years. The last time we requested the study was in 2011. Mr. Thompson requested a cost of such a study and will send it to the Board for their vote before the next regular meeting. The estimate came in at \$45,000. In an email vote, the Board unanimously agreed to table the vote until the regular August meeting.

2018 FINANCIAL AUDIT – MGPM PC

Mr. Sean Youngblood, CPA and Mr. Todd Mihelich, Partner presented the Financial Statements with Independent Auditor's Report, including unqualified opinion, (attached). The auditors have requested that the Plan Administrator become more involved in the internal control procedures for assuring retirees who have elected to remain on the Pueblo County group insurance plan (including health and dental) have had their premiums paid through the Pueblo County self-funded plan. This recommendation is based on a series of errors and omission which occurred during the year 2018, and the non-enrollment of all retirees due to system error at open enrollment. No significant issues were noted, though the potential for exposure to the retirement Plan could be significant.

The auditors requested an explanation for the use of actuarial tables that are outdated. Mr. Kershner of Buck explained that the charts currently used for the Plan more closely match the experience of the Pueblo County employee demographic. As noted above, this would be addressed by requesting an experience study.

PRELIMINARY MONTHLY INVESTMENT SUMMARY-ELLWOOD

Mr. Dale Connors, Senior Consultant and Mr. Andy Fiegel, CFA, CAIS of Ellwood presented the Board with preliminary returns for the month ending June 30, 2019. A very strong June yielded a return of 3.3% for both the fund and the index bringing the year to date investment gain up to 9.4%. June returns netted a \$4.5 million gain in assets ending in a total value of assets at \$141.3 million.

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ADJOURN

Motion to adjourn made by Ms. Koen. Motion seconded by Del Olivas. Board adjourned by the Chair at 2:55 p.m.

NEXT MEETING

The next regular meeting will be held on Monday, August 26, 2019 at 1:00 pm in the third floor conference room of the Courthouse, room 333.

Joel Thompson
Plan Administrator