

**EL PASO COUNTY**  
**BOARD OF RETIREMENT**

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EL PASO COUNTY RETIREMENT PLAN  
2880 INTERNATIONAL CIR., SUITE N030  
COLORADO SPRINGS, CO 80910  
TELEPHONE (719) 520-7490  
FACSIMILE (719) 520.7495

**CHRIS LONG, CHAIR**  
**MIKE VARNET, VICE CHAIR**  
**RAY BERNIER**  
**MARK LOWDERMAN**  
**NIKKI SIMMONS**  
**VICTORIA BENNETT**

**MINUTES**

Retirement Board Meeting  
October 26, 2020 – 9:00 a.m.  
Microsoft Teams Teleconference  
Centennial Hall  
200 S. Cascade Ave.  
Colorado Springs, CO 80903

MEMBERS PRESENT: Chris Long, Ray Bernier, Mark Lowderman

MEMBERS ABSENT: Mike Varnet

ASSOCIATE MEMBER PRESENT: Nikki Simmons, Victoria Bennett

Call to Order 9:02 a.m.

1. Public Comment

**QUESTIONS FROM PATTY BENNET: WHAT WILL BE CHANGING IN BYLAWS? ~WE ARE CLEARING UP AMBIGUITY IN THE LANGUAGE AND CLARIFYING RULES AND RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR.**

**WHAT IS THE DISCOUNT RATE AND WHAT EFFECT DOES IT HAVE ON MEMBERS OF THE PLAN? ~THE DISCOUNT RATE IS THE ASSUMED RATE OF RETURN ON PLAN ASSETS. IT DOES NOT DIRECTLY AFFECT MEMBERS, BUT COULD AFFECT THEM IN HOW IT IMPACTS THE FUNDING RATE OVER TIME**

2. Executive Director's Report

**UNOFFICIAL FUNDED RATIO: 65%**

**UPDATED CODE OF PROFESSIONAL CONDUCT AND BYLAWS WILL BE VOTED ON TODAY. REVIEW OF MASTER PLAN DOCUMENT WILL FOLLOW IN NEXT COUPLE OF WEEKS, AS WELL AS ALL OPERATIONAL DOCUMENTS.**

**ACTUARY REVIEW IS COMPLETED AND WILL BE DISCUSSED IN EXECUTIVE SESSION TODAY. CUSTODIAN REVIEW WILL BE DONE BY NEXT BOARD MEETING. ACCOUNTING REVIEW IS UNDERWAY.**

3. Approval of changes to the Bylaws

**MARK LOWDERMAN MOVES TO APPROVE UPDATED BYLAWS. CHRIS LONG SECONDS. THE MOTION CARRIED 3 – 0.**

***“Financial Security for the Golden Years”***

4. Approval of changes to the Standard of Professional and Ethical Conduct.

**MARK LOWDERMAN MOVES TO APPROVE UPDATED STANDARD OF PROFESSIONAL AND ETHICAL CONDUCT. CHRIS LONG SECONDS. THE MOTION CARRIED 3 – 0.**

5. Discussion and vote on lowering the discount rate.

**HISTORICALLY, THE PLAN HAS A LONG-TERM COMPOUNDED AVERAGE RETURN OF 6.70%.**

**ASSET MANAGMENET ADVISORS ESTIMATE EXPECTED COMPOUNDED RETURN OVER NEXT 10 YEARS OF 5.88% AND OVER NEXT 30 YEARS OF 7.26%.**

**AVERAGE DISCOUNT RATE OF PUBLIC PLANS HAS BEEN DECREASING, TO 7.19% IN 2019.**

**S&P RECOMMENDS DISCOUNT RATE OF 6.5% FOR PUBLIC PLANS.**

**IF REDUCED TO 7.00%, UNFUNDED LIABILITY WILL INCREASE FROM \$214 MIL TO \$248 MIL, FUNDED RATION WILL DECREASE FROM 65% TO 61%, AND ACTUARIAL DETERMINED CONTRIBUTION WILL INCREASE FROM 18.6% TO 20.5%.**

**CHRIS LONG EMPHASISES THIS IS FINALIZING THE STEP REDUCTION PROCESS THEY BEGAN YEARS AGO AND THIS WILL NOT BE CHANGED ON AN ONGOING BASIS.**

**THIS CHANGE WILL ALLOW MORE ACCURATE CALCULATIONS ON HOW TO GET THE PLAN TO A BETTER FUNDED STATUS. THIS IS THE FIRST STEP TO MEANINGFULLY IMPROVE THE FUNDED STATUS IN THE LONG TERM.**

**RAY BERNIER MOVED TO APPROVE THE NEW DISCOUNT RATE OF 7.00%. MARK LOWDERMAN SECONDED. THE MOTION CARRIED 3 – 0.**

7. Executive Session for determining positions relative to contracts with actuaries that may be subject to negotiations, developing strategy for negotiators as authorized by C.R.S. 24-6-402(4)(c).

**MARK LOWDERMAN MOVED TO GO INTO EXECUTIVE SESSION. RAY BERNIER SECONDED. THE MOTION CARRIED 3 – 0. THE MEETING MOVES TO EXECUTIVE SESSION AT 9:53 AM.**

**MARK LOWDERMAN MOVED TO COME OUT OF EXECUTIVE SESSION AND BACK INTO REGULAR SESSION. RAY BERNIER SECONDED. THE MOTION CARRIED 3 – 0. THE MEETING MOVES TO REGULAR SESSION AT 10:27 AM.**

8. Chairman's Report

9. Agenda Packet **ACTION ITEMS**

Tab 1 Approval of Minutes of September 28, 2020

Tab 2 Ratification of Termination Refunds, New Retirees, and Purchases of Service

Tab 3 Ratification of Cash Disbursements for September 2020.

Tab 4 Ratification of Financial Statements for September 2020.

**CHRIS LONG MOVED TO APPROVE AGENDA PACKET. RAY BERNIER SECONDED. THE MOTION CARRIES 3 – 0.**

10. New Business

**NONE**

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11. The next meeting will be November 23<sup>rd</sup>, 2020 at 9:00 a.m.
12. Being no further business, the meeting was adjourned at 10:30 a.m.

  
Ray Bernier, Secretary

  
Christopher Del Valle, Recording Secretary

*“Financial Security for the Golden Years”*