

LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Friday, August 28, 2020)

Generated by Michelle Rance on Tuesday, September 1, 2020

Due to COVID19 and social distancing guidelines, WebEx video conferencing was added so that the Asset Strategy Partners could attend remotely

1. 10:35 am CALL TO ORDER**2. ROLL CALL****Members present:**

Dr. Rebecca Bridgett, County Administrator
Michael L. Hewitt, Commissioner Member
Jeannett Cudmore, Chief Financial Officer
Catherine Pratson, Human Resources Director
Mary Ann Murray, Community Representative

Others Present:

Jody Quasney, Finance Deputy Director
David Saunders, Asset Strategy (attended via WebEx)
Ed Boyer, Asset Strategy (attended via WebEx)
Michelle Rance, Administrative Recorder

A. Motion to accept the agenda for August 28, 2020

Motion by Mary Ann Murray, second by Commissioner Michael L Hewitt. Final Resolution: Motion Carries
Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner Michael L Hewitt

B. Approve Meeting Minutes for June 5, 2020**Motion to approve the meeting minutes for the June 5, 2020 meeting.**

Motion by Commissioner Michael L Hewitt, second by Jeannett Cudmore. Final Resolution: Motion Carries
Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner Michael L Hewitt

3. PRESENTATION**A. Asset Strategy Portfolio Quarterly Update – June 30, 2020**

David started on page one of the quarterly report, pointing out the 2nd quarter markets have experienced a tremendous comeback from the 1st quarter –both the US Equity and International Equity markets had a very strong quarter. The Fixed Income markets are up, the Bloomberg AG for the 2nd quarter was up 2.9%, on a YTD basis is up 6.1%, again benefiting from a strong 1st quarter return. They like to look at longer periods of time and despite the YTD negative returns that we see in the Equity markets the S&P 500, in particular on a 10-year basis is up 14%.

We will have to wait and see how things go with the elections coming up, the China Trade talks, the pandemic and economic recovery, there are still a lot of variables that could impact the markets going forward. Looking

at page two, the portfolio value is at \$4.1M, the return for the 2nd quarter was 11.3%, on a year-to-date basis the portfolio was down 3.6% and for the one year the portfolio is up .81%.

David pointed out that we are still at the early stages with this portfolio which started it in February of 2018. Construction of the portfolio is 100% passive, which means we have no active managers in the portfolio right now. However, we would like to look at where we might want to have some active managers in the coming meetings. In particular in the fixed income market because of the Bloomberg AG is so heavily weighted towards Treasuries, and since we are in a low interest rate environment, we feel like we can find some value in some active managers that would not be so anchored to the Treasury markets which are set for over a long period of time while the Fed looks to keep interest rates low. In the next meeting, they would like to look at reallocating the \$1.5M that is in the Barclays I share ETF 36% of the portfolio into an active fixed income manager and maybe incorporating the allocation of high-yield, the \$247K or 6% of the portfolio into an active fixed income manager.

Looking briefly at page three, the portfolio allocations, after making some slight reallocations along the large and small cap equity funds which brought us back in line - we are within policy range for all of our asset classes. Lastly, looking at the Market Value Update, the portfolio is up 7% from the end of the quarter, as of Wednesday market close the portfolio was up at \$4.4M. David did ask the board whether they would need board approval to make some changes if they felt there were additional adjustments that needed to be made, or if they had the authority to bring it back in line with policy? Commissioner Hewitt replied that Asset Strategy has the authority to make changes to keep it within policy range. Dr. Bridgett confirmed that she agreed in addition to the other board members agreeing.

Motion to accept the Asset Strategy Quarterly Report of June 30, 2020.

Motion by Commissioner Michael L Hewitt, second by Jeannett Cudmore. Final Resolution: Motion Carries

Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner Michael L Hewitt

4. COMMITTEE REPORTS

A. Plan Administrator Report for August 28, 2020.

Jody Quasney reported the following:

- Contribution – FY2021 CSMC Approved Budget includes \$1M in LOSAP funding. The distribution will take place within 30 days of this meeting.
- Administrative –Payment of invoices since last meeting: \$11,967
 - Second quarter 2020 invoice to Asset Strategy - \$1,000
 - Actuarial valuation services through March 31, 2020 for Bolton Partners - \$10,967
- Future Meeting Calendar:
 - December 4, 2020

Motion to accept the Plan Administrator's Report.

Motion by Jeannett Cudmore, second by Mary Ann Murray. Final Resolution: Motion Carries

Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner Michael L Hewitt

5. NEW BUSINESS

A. Emergency Services Board Considering a revision to how LOSAP points are earned for 2020 as a result of COVID- 19

Catherine Pratson starting by saying this update was mainly for Board information purposes. The Commissioners had been presented with a request from some volunteers to look at how LOSAP points are earned in 2020 as a result of the COVID pandemic. Points drive an eligibility year for a benefit that a volunteer will receive which impacts their pension eligibility. There are members that have not been able to participate in typical activities because of COVID – either due to their own health or because the activities are not occurring. The Commissioners have asked the Emergency Services Board to consider alternative methods for these volunteers to earn points. The Emergency Services Board met and established a committee to look at this and then they will report back at their September board meeting. She also added that in terms of timing, the eligibility lists are presented to the Commissioners in the spring of next year for 2020, and that the committee is aware of this and that a decision would need to be made by early winter to impact the 2020 volunteering activities.

6. OLD BUSINESS

A. Bolton Partners Actuarial Valuation as of June 30, 2020

Jim Ritchie of Bolton partners reviewed the report with the board. He went over the highlights and stated that the results of the valuation are fairly uneventful, which is good news. They do a valuation every other year, last valuation was completed as of 6/30/2019 which is used to develop the contribution for year ending FY2021 and FY2022. Turning to page 2 of the report, the contribution is a little under \$2.5M which is about a \$100K reduction from the prior valuation. The liability in the plan grew slightly, which is always expected. Since we have a discount factor of 6%, we always expect it to grow 6% plus new accruals, minus any payments that are made. Thus, the liability went from a little under \$21M to a little under \$21.4M, about a 1.8% increase. The funding status doubled due to the recent increase in funding in the plan, so it went from 7% to 14%. Assets as of last year were \$3.1M.

Last valuation year we had about 180 people that were receiving an accrual and for this valuation it went down to just 90 people. Commissioner Hewitt asked why such a big drop in accruals and Jim said that many who were receiving the benefit were not collecting credits. To help clarify, Catherine Pratson added that we have more people receiving benefits than volunteering (earning credits) than we have had in the past.

Motion to accept the actuarial report prepared by Bolton – as of June 30, 2020.

Motion by Mary Ann Murray, second by Jeannett Cudmore. Final Resolution: Motion Carries

Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner Michael L Hewitt

B. Consolidated Investment Manager RFP Update

Catherine Pratson report that the responses to the consolidated investment manager RFP were submitted at the end of February 2020. Twelve organizations responded and six were selected as finalists. The six shortlisted firms will be scored on the basis of reference checks and presentations and cost proposals which will result in a finalist to be recommended for award. Finalist presentations are scheduled for Friday, October 2, 2020, from 9am - 4pm in the Commissioner Meeting Room. Board members may attend as observers either in person or via WebEx. Invitations will be sent out next week following this meeting.

7. ADJOURN

A. Adjourn Meeting

Motion to adjourn the meeting.

Motion by Jeannett Cudmore, second by Commissioner

Michael L Hewitt. Final Resolution: Motion Carries

Yea: Dr Rebecca Bridgett, Mary Ann Murray, Jeannett Cudmore, Catherine Pratson, Commissioner

Michael L Hewitt

Minutes approved by the LOSAP Board on: 12/4/2020