



PENSION COMMITTEE MINUTES - GENERAL EMPLOYEE

May 17, 2016 2:30 p.m.

City and County Building - Council Conference Room

One DesCombes Drive

Agenda:

1. Disposition of Minutes (Chairperson) - One minute
2. New Business
 - Pension Plan Actuarial Study (Paul Barker) - 10 minutes
 - General Employee Pension Plan (Cook Street Consulting) - 45 minutes
 - Quarterly Investment Consulting Review
 - Recordkeeping Transition Update
 - Money Purchase Plan Update (Strategies) - 45 minutes
 - Quarterly Investment Consulting Review
 - Participant Education/Advice
 - Empower Update (Tim Bock)
1. Old Business
2. Other Business
 - Items Not Noted Above
1. Adjournment

The chairperson presides over the meeting and signs the minutes. Individuals noted in parentheses next to each agenda item are responsible for leading the discussion of the item.

Minutes:

Attendance:

Present - Employee- elected committee members Gary McGinn and Mark Delbrook, Director of Finance Pat Soderberg and Director of Human Resources Suzanne Smith, Council Member David Beacom.

Others Present- Krista Rhode from Human Resources. Lindsey Levison and Stuart Thomas from Cook Street. Tim Bock from Empower Retirement. Paul Barker from Actuarial Services. Troy Jensen and David Halseth from Strategies CM.

Disposition of Minutes:

The minutes of the February 8, 2016 meeting were approved. (Motion -Ms. Soderberg, Second - Ms. Smith, unanimous acceptance).

New Business:

Pension Plan Actuarial Study:

Mr. Barker presented the 2016 actuarial study for the Defined Benefit Plan to the committee. The target contribution amount for the plan for 2017 is \$1,133,467.08 based on ten-year funding. Human Resources will use this target number to prepare the revised 2016 and proposed 2017 pension budget.

General Employee Pension Plan Review:

Ms. Levison provided a market review for the committee and noted that this was one of the worst starts for the market in history, however it did better towards the end of the quarter. See pages 3-11 of the Broomfield Defined Benefit Participant Guide for more information on the market review.

Ms. Levison and Mr. Thomas gave a brief overview of the plans portfolio. They noted that the total plan assets at the end of the quarter were \$9,092,235. The portfolio and performance summary can be found on pages 12-19 of the Broomfield Defined Benefit Participant Guide. Ms. Levison did note that there are very few funds in the plan that have revenue sharing and the ones that do have revenue sharing are returned back to the plan. The overall portfolio performance is down about 1.5% over the past year. The actual asset allocation is in line with target asset allocation because the plan is rebalanced on a monthly basis. There are no funds currently on the watchlist.

The total for plan fees is around 1.13 % per year, with the transition to Empower in August of 2016 this will be around 1.08% and Empower is waiving all trading fees.

General Employee Money Purchase Plan Review:

Mr. Halseth provided a short market review and noted that unemployment remained around 5% and the labor force participation is seeing a positive trend. Interest rates did not raise this quarter and remained steady. Bonds were up about 3% and commodities did well.

Plan Investment Observations -

- T. Rowe Price Instl Large Cap Growth (TRLGX) trailed its benchmark by 7.18% and fell into the tenth decile for the quarter.
- PIMCO Commodity Real Ret Strat Instl (PCRIX) landed in the second decile for the quarter and beat its benchmark by 1.33%.
- JP Morgan Smart Retirement Series (JSMIX) fell into the 8th and 9th deciles for the quarter.

There are no recommendations for funds to be on the watchlist at this time.

Several fund transitions occurred within the plan on May 5, 2016.

- Federated Prime Obligations Instl (POIXX) was discontinued and assets were mapped to new investment option Vanguard Treasury Money Market Fund Investor Shares (VUSXX).
- PIMCO Total return Instl (PTTRX) was discontinued and assets were mapped to new investment option Vanguard Total Bond Market Index Adm (VBTLX).

Mr. Jensen did a share class analysis and noted that we are currently offering the lowest-cost share class option for each fund, with the exception of three Vanguard funds. For those funds, a slightly lower share class is available, but plan assets do not yet meet the minimum required investment imposed by Vanguard to gain access. He also did a fiduciary update on the need to closely monitor the reasonableness of participant fees.

Empower Retirement Update

Mr. Bock provided a recordkeeper update for the plan. There were a few unknown genders in the report and Mr. Bock is going to have Empower research this to have corrected in the next quarter's report.

Old Business: None.

Other Business: None.

Adjourn - 4:29 p.m.