

MINUTES

BOARD OF COMMISSIONERS PROBATE COURT JUDGES RETIREMENT FUND

Thursday, August 13, 2020 – 10:00 A.M.
By Teleconference

Present:

Garrison Baker, Chairman
Chase Daughtrey, Board Member
Lorri Smith, Board Member
Kelli Wolk, Board Member
Bruce Wright, Board Member

Robert Carter, Secretary/Treasurer
Brandt Barlow, CFO
Jack Halper, Wells Fargo
Lee Willis, Wells Fargo
Jennifer Yanulavich, Wells Fargo

The meeting was called to order at 10:30 A.M. by Chairman Garrison Baker.

The following items were considered by the Board:

I. APPROVAL OF MINUTES OF PREVIOUS MEETING

Board members reviewed the minutes from the meeting held on May 14, 2020. Judge Chase Daughtrey made a motion, seconded by Lorri Smith, to approve the Minutes of the May 14, 2020 Board Meeting. The vote was unanimous.

II. FINANCIAL REPORT

Lorri Smith made a motion, seconded by Judge Daughtrey, to amend the agenda and move the Buck actuarial presentation in front of the Wells Fargo Investment report. The vote was unanimous.

Retirement consultants from Buck, Kevin Spanier and Lisa Bjornson, made a presentation to the board regarding June 30, 2019 preliminary funding valuation results. Kevin advised the plan experience was favorable for the plan year. The plan is overfunded which is a great position to be in. The rate of return on the market value of assets was 9.4%, which was greater than the expected return of 6.5%. There was a 1.5% cost of living increase granted to retirees and surviving spouses effective July 1, 2019. Information for the board to consider an assumption change was reviewed. The current assumption utilizes a mortality improvement scaled referred to as MP-2018. An updated version may help reduce longevity risk that is increased when providing

COLAs. Kevin said the potential risk factors are with investments, contributions, a cost of living increase and the demographic risk.

Following discussion and questions from the board, Judge Daughtrey made a motion, seconded by Judge Wolk, to update the mortality improvement scale from Buck Modified version of MP-2018 to Buck Modified version of MP-2019. The vote was unanimous.

Mr. Carter requested that Buck provide a letter of recommendation by the next board meeting in November regarding the feasibility of a 1.5% cost of living increase and a 1.5% salary cap increase for January 2021.

Lee Willis of Wells Fargo Advisors presented a Capital Market review as of 6/30/2020. He advised historically they have seen some of the worst numbers ever but they are beginning to slowly start inching back up. The feds have been supportive and had the equivalent of \$11 trillion pumped into the economy. Unemployment is still at 10.5% and it is a slow grind to get jobs back up and running.

Jack Halper said tech stocks are significantly up. He reviewed highlights of some of the money managers.

Jennifer Yanulavich said as of June 30th the fund was at \$100,166,548 but in August was back up to \$104.7 million. Harding Loevner is performing very well but Lazard continues to lag.

Lee Willis provided an asset allocation history and a review of the individual managers.

Jack Halper reminded the board they have been instructed to make changes quickly, if necessary, without approval. However, board members would be notified immediately if that should occur.

Brandt Barlow, CFO, presented an Income Statement for period ending June 30, 2020. From March to June revenue was down about 25% but started coming back up in July and August. Revenue from gun permits is up but marriage licenses are down.

Judge Wolk asked questions regarding the auditing process. Brandt Barlow said that is done annually in house by the State Department of Audits.

III. OTHER ITEMS OF INTEREST

Bob Carter presented the Membership Report for the second quarter 2020.

The consensus of the board was to meet in person in November.

IV. NEXT MEETING DATE AND LOCATION

The next meeting of the Board will be held on Thursday, November 12, 2020, at the

Fund Office at 10:30 AM.

There being no further business to come before the Board, the meeting was adjourned at 12:45 P.M

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Carter", with a long horizontal line extending to the right.

Robert Carter
Secretary/Treasurer