Trustees for the Group Pension Plan

Retirement Board Meeting Session

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Tuesday, March 14, 2023	10:30 AM	Commission Chambers

~ Minutes ~

Call to Order

Attendee Name	Title	Status	Arrived
Michael Fouts	Chairman	Present	
Kelly Mickle	Employee Member 1	Present	
Eric Smith	Employee Member 2	Present	
Mac Tracy	Citizen Member 1	Present	
Freeman Elliott	Citizen Member 2	Present	
Fran Collins	Deputy County Clerk	Present	

The Board of Trustees for the Coweta County Group Pension Plan met in Called Meeting/Work Session on Tuesday, March 14, 2023.

Chairman Fouts called the meeting to order at 10:35 a.m.

Mr. Zach Walley from OneDigital was in attendance.

Ms. Katrina Vanderdray from OneDigital joined the meeting remotely.

Information for Trustees

1. 13699 Discuss Investment Policy Statement and Related Matters

Mr. Walley explained that new Board member Freeman Elliot has been added as a Plan Fiduciary to the Investment Policy Statement (IPS), and the updated IPS will be placed on the next quarterly meeting for approval by the Board. He further explained that there are no recommended changes to the overall account asset allocations at this time, currently the asset categories are within acceptable ranges within the portfolio, and there have not been any recent changes to pertinent regulations or in State guidance. He explained that in June 2023, the County will make the annual contribution to the account and those funds will be invested based upon the market. In 2022, a fair amount of the annual contribution was held in cash to make pension payments to retirees. This year, some of the County's annual contribution may be allocated to equities, but cash will still be held in the portfolio for pension payments to retirees. He mentioned the Silicon Valley Bank (SVB) failure that occurred the previous week, that the MFS Mid-Cap Value Fund held less than ½% in some shares in the portfolio, and the biggest effect will be on index funds that have those shares.

Ms. Mickle explained that there are two hundred-eighty (280) current employees contributing to the plan and sixty (60) retired employees who are receiving benefits, the actuarial valuation makes assumptions and takes those numbers into account, the County makes the actuarial based contribution to the plan every year, this years' rate is based on 6½% rate of return, and the actual return is smoothed every year over a 5-year period. She further explained that State law regarding investments in pension plans has thresholds built in and when the size of a plan reaches a certain threshold ($200 million) the plan then has more flexibility to invest in international and alternative investment options.

Mr. Walley explained that prior to last year the average return of the trust was approximately 8% to 8½%. He also mentioned that the trust was not originally allowed to invest in mutual funds per State law. When the law changed in 2015, the plan began to invest in mutual funds.

In response to questions from member Tracy, Ms. Mickle explained that in terms of the Defined Contribution Plan, the County recently entered into a contract with a new Third-Party Administrator (TPA) that included cybersecurity provisions. With respect to the Pension Plan, Truist is the custodian, and the associated contract with BB&T (Truist's predecessor) was executed in 2014 and does not contain cybersecurity provisions. Staff is working with Truist for guidance on their cybersecurity policies in order to evaluate and document.

Mr. Walley explained that a cybersecurity presentation can be provided to the Board. Cybersecurity provisions are not usually written into an investment policy; however, review by the Trustees of cybersecurity policies can be added as a part of the overarching annual fiduciary duties and responsibilities.

Ms. Vanderdray explained that cybersecurity policies of vendors should be documented and vetted, and perhaps included in an updated agreement with Truist.

Chairman Fouts explained that an addendum can be incorporated into the current contract with Truist to include cybersecurity provisions and that changes to the IPS will be presented to the Board at their next quarterly meeting and presented for adoption.

In closing, Mr. Walley briefly reviewed the average annual return for the asset categories and target ranges and explained that they fall well within the strategic investment objectives.

RESULT: ACCOMPLISHED

2. 13709 Review Fund Managers

Mr. Walley explained that there are no recommended changes to fund managers at this time and that each of the funds in the portfolio are still 4 to 5-star rated Morningstar funds. He briefly reviewed the performance of the following funds:

- JP Morgan Large Cap Growth fund
- Fidelity Advisor Equity Growth Z fund
- Dodge & Cox fund
- MFS Value R6 fund
- Delaware Ivy Mid Cap Growth fund
- MFS Mid Cap Value R6 fund
- Fuller & Thaler Small Cap Equity fund

He explained that all funds are performing consistently and are staying within their style boxes and within their categories.

Mr. Walley fielded questions from the Board regarding portfolio fees and market outlook for the remainder of 2023.

RESULT: ACCOMPLISHED

Adjournment

Motion To: **Adjourn**

The Board voted to adjourn the meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mac Tracy, Citizen Member 1
SECONDER:	Freeman Elliott, Citizen Member 2
AYES:	Fouts, Mickle, Smith, Tracy, Elliott