Board of Trustees for the Group Pension Plan

Retirement Board

Minutes

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August 15, 2024	**10:30 AM**	**Commission Chambers**

Board of Trustees for the Group Pension Plan
Roll Call

Attendee	Title	Status
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
Sandy Wisenbaker	Assistant County Administrator	Present
Shannon Zerangue	Clerk	Present
Patricia Palmer	Community and Human Resources Director	Present
Julie Millians	Benefits Manager	Absent
Hans Wilson	Finance Director	Absent
Amy Henson	Assistant Finance Director	Present

The Board of Trustees for the Group Pension Plan met in Regular Meeting Session on Thursday, August 15, 2024.

Mr. Zach Walley from OneDigital was in attendance.

Ms. Katrina Vanderdray from OneDigital attended the meeting remotely.

Meeting Called to Order

Chairman Fouts called the meeting to order at 10:30 a.m.

Approval of Minutes

1. Request Approval of the Minutes from the Regular Meeting Session Held on May 16, 2024

Motion to: **Approve**

The Board voted to approve the minutes from the Regular Meeting Session held on Thursday, May 16, 2024 at 10:30 a.m.

RESULT: Passed (4 to 0)
MOVER: Kelly Mickle
SECONDER: Mac Tracy
AYES: Kelly Mickle, Eric Smith, Mac Tracy, Freeman Elliott
ABSTAIN: Michael Fouts (absent on May 16, 2024)

Information for Trustees

2. Presentation from OneDigital of the Quarterly Investment Report

Mr. Walley presented an overview of the asset allocations as of June 30, 2024, noting the current cash & equivalents (10.56%), fixed income funds (38.15%), and equities (51.29%). He recommended that $2.5 million be reallocated from cash & equivalents to the fixed income portfolio and $1 million be reallocated from cash & equivalents to equities. These allocations will still leave enough cash for monthly pension payments and keep all the asset classes within the ranges outlined in the Investment Policy Statement (IPS).

In response to a question from Mr. Tracy, Mr. Walley explained that the County's annual contribution to the account was received in June and that is the reason that the cash & equivalents is higher than last quarter.

Mr. Walley also explained that the portfolio's ending market value was $97,199,161.74 as of June 30, 2024, reviewed the total portfolio performance, and provided an overview of the performance of each fund based upon benchmarks, recommending that the Delaware Mid-Cap Growth R6 Fund be replaced following several months of monitoring and poor performance. He noted that the Trustees for the Salary Deferral Plan and the Employee Matching Plan voted to replace the Delaware Mid-Cap Growth R6 Fund with the Janus Henderson Enterprise N Fund at their meeting this morning at 9:00 a.m. He reviewed the following three (3) fund options providing their ratings, performance history, and associated costs for each fund:

- Invesco Discovery Mid-Cap Growth R6
- Janus Henderson Enterprise N
- JP Morgan Mid-Cap Growth R6

Mr. Elliott expressed concerns regarding the associated cost of the JP Morgan Fund and their CrowdStrike holdings considering CrowdStrike's recent outage.

Mr. Walley fielded questions from Mr. Elliott regarding the Janus Henderson Fund's international exposure and tech risk.

Mr. Tracy and Chairman Fouts explained that they have no objection to following OneDigital's advice regarding replacement of the Delaware Mid-Cap Growth Fund.

Mr. Elliott noted that the Invesco Discovery Mid-Cap Fund is a small portfolio comprised of mainly U.S. stocks. He also expressed that the JP Morgan Fund's expense ratio is high, and he feels that they have questionable holdings.

Mr. Walley highlighted the diversification of the funds, noted that all three (3) Fund options are good choices to replace the Delaware Ivy Fund, and explained that the Janus Henderson Fund has held up strongly during the market volatility.

Motion to: **Replace Delaware Ivy Mid-Cap Growth R6 Fund**

The Board voted to replace the Delaware Ivy Mid-Cap Growth R6 Fund with the Janus Henderson Enterprise Class N Fund.

RESULT: Passed (UNANIMOUS)
MOVER: Mac Tracy
SECONDER: Kelly Mickle
AYES: Michael Fouts, Kelly Mickle, Eric Smith, Mac Tracy, Freeman Elliott

Motion to: **Reallocate Funds**

The Board voted to reallocate $2.5 million from cash & equivalents into fixed income funds and to reallocate $1 million from cash & equivalents into equities to remain in compliance with the Investment Policy Statement (IPS).

RESULT: Passed (UNANIMOUS)
MOVER: Kelly Mickle
SECONDER: Freeman Elliott
AYES: Michael Fouts, Kelly Mickle, Eric Smith, Mac Tracy, Freeman Elliott

Market Overview

Mr. Walley also briefly provided an overview of the economy and market status (Standard & Poor's, Dow, NASDAQ, volatility, inflation, credit card usage, consumer spending, job market, unemployment, upcoming Presidential election, geopolitical tension, Gross Domestic Product (GDP), housing, auto loans/credit cards/mortgage delinquencies, sector returns, and stocks and bonds).

Comments

Chairman Fouts called for any further comments. There were none.

Schedule Next Meeting

Motion to: **Schedule the Next Meeting**

The Board voted to schedule the next meeting on Thursday, November 14, 2024 at 10:00 a.m.

RESULT: Passed (UNANIMOUS)
MOVER: Michael Fouts
SECONDER: Mac Tracy
AYES: Michael Fouts, Kelly Mickle, Eric Smith, Mac Tracy, Freeman Elliott

Adjournment

Motion to: **Adjourn**

The Board voted to adjourn the meeting.

RESULT: Passed (UNANIMOUS)
MOVER: Kelly Mickle
SECONDER: Mac Tracy
AYES: Michael Fouts, Kelly Mickle, Eric Smith, Mac Tracy, Freeman Elliott