Board of Trustees for the Group Pension Plan

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Retirement Board

Minutes

Shannon Zerangue
Fran Collins
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November 14, 2024 **10:00 AM** **Commission Chambers**

Board of Trustees for the Group Pension Plan

Roll Call/Call to Order

Attendee Name	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	Absent
Sandy Wisenbaker	Assistant County Administrator	Present
Fran Collins	Deputy Clerk	Present
Patricia Palmer	Community and Human Resources Director	Present
Julie Millians	Benefits Manager	Present
Hans Wilson	Finance Director	Absent
Amy Henson	Assistant Finance Director	Remote

The Board of Trustees for the Group Pension Plan met in Regular Meeting Session on Thursday, November 14, 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 10:00 a.m.

Approval of Minutes

1. Request Approval of the Minutes from the Regular Meeting Session Held on August 15, 2024

Motion to: **Approve**

The Board voted to approve the minutes from the Regular Meeting Session held on Thursday, August 15, 2024.

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

Information for Trustees

2. Presentation from OneDigital of the Quarterly Investment Report

Mr. Walley presented an overview of the asset allocations as of September 30, 2024, noting the current cash & equivalents (4.91%), fixed income funds (41.63%), and equities (53.46%) which are all within the ranges outlined in the Investment Policy Statement (IPS). He explained that as of September 30, 2024, the portfolio's ending market value was $100,993,223. He further explained that following last quarter, some adjustments were made, including reallocating some cash to the fixed income portfolio and selling some equities. He noted that the overall portfolio is still well within the ranges outlined in the IPS; however, at the end of the year, if equities approach 55% some adjustments will have to be made to remain in compliance with the IPS. He also reviewed the overall valuation and explained that in terms of performance for the quarter ending September 30, 2024, the portfolio had a return of 5.5% versus the blended benchmark of 5.91%. In addition, the 1-year, 3-year and 5-year returns are well ahead of the benchmarks, and since inception, the portfolio has averaged 7.28% after fees.

Ms. Mickle pointed out that the employer annual contribution for the year-to-date column in the rollforward appears to have been placed into other receipts in error.

In response to Ms. Mickle, Mr. Walley apologized and explained that he would have that error corrected.

Mr. Walley explained that overall he is pleased with the various fund managers' performances, and the returns are all well ahead of their respective benchmarks. There are no recommended fund manager replacements or fund changes at this time. He further explained that the fixed income portfolio has performed extremely well and $2.5 million was reallocated to that fund with the recent rebalance this past quarter. He noted that the U.S. economy has fundamentally changed from the 1990s with dominant out-performers in the energy, technology, consumer, industrial, and healthcare sectors in 2024. The top five (5) performers were in the technology sector, which has higher profitability and significantly better free-cash-flow generation. NVIDIA Corp alone drove almost 20% of the S&P market returns so far this year. He explained that the market has been volatile, rate cuts will continue within the fixed-income sector, and that the US Treasury yield curve is inverted and has slowly started to decrease, which is positive. However, as rates decrease, so will yields in money market accounts. Lastly, he explained that the recent Presidential election has had an effect on the market, but over time, the general direction of the market has always been up, regardless of whether there is a Republican or Democratic President in office.

In response to a question from Mr. Tracy, Mr. Walley explained that there may be some inflationary pressure, but he would like to see data on home prices, wage growth, borrowing costs, etc. after implementation of the new President's policies.

Comments

Chairman Fouts called for any comments. There were none.

Schedule Next Meeting

Motion to: **Schedule a Called Meeting/Work Session and the Next Meeting**

The Board voted to schedule a Called Meeting/Work Session on Wednesday, January 29, 2025 at 9:00 am and to schedule the next Regular Meeting on Thursday, February 13, 2025 at 10:00 a.m.

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

Adjournment

Motion to: **Adjourn**

The Board voted to adjourn the meeting.

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