Trustees for the Group Pension Plan

Retirement Board Meeting Session

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Shannon Zerangue
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Tuesday, November 9, 2021 | **10:30 AM** | **Commission Chambers**

~ Minutes ~

Call to Order

Attendee Name	Title	Status	Arrived
Michael Fouts	Chairman	Present	
Kelly Mickle	Board Member	Present	
Currently Vacant	Board Member	Absent	
Mac Tracy	Citizen Member	Present	
Eric Smith	Employee Member	Remote	
Shannon Zerangue	Clerk	Present	
Julie Millians	Benefits Manager	Present	

The Board of Trustees for the Coweta County Group Pension Plan met in Regular Session on Tuesday, November 9, 2021.

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

Mr. Zach Walley from OneDigital (formerly with Truist) attended the meeting virtually/remotely.

Minutes Approval

1. **Minutes of Wednesday, August 11, 2021**

The Board voted to approve the minutes from the Regular Meeting Session held on Wednesday, August 11, 2021.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mac Tracy, Citizen Member
SECONDER:	Kelly Mickle, Board Member
AYES:	Michael Fouts, Kelly Mickle, Mac Tracy, Eric Smith
ABSENT:	Currently Vacant

Unfinished Business

2. 12578 Confirm Execution of an Amendment to the Investment Advisory Agreement with Sterling Capital

The Board voted to confirm execution of an Amendment to the Investment Advisory Agreement with Sterling Capital associated with a reduction in the schedule of fees for fixed income investment management services.

RESULT:	**CONFIRMED [UNANIMOUS]**
MOVER:	Mac Tracy, Citizen Member
SECONDER:	Kelly Mickle, Board Member
AYES:	Michael Fouts, Kelly Mickle, Mac Tracy
ABSENT:	Currently Vacant

Information for Trustees

3. 10448 Presentation from OneDigital of the Quarterly Investment Report

Mr. Walley presented an overview of the asset allocations as of September 30, 2021 noting the current equities (52.10%), fixed income funds (44.90%), and cash & equivalents (3.00%) which are all within the ranges outlined in the current Investment Policy Statement (IPS). He reviewed the total portfolio performance and provided an executive summary of the monitoring/scoring report for the portfolio (similar to the one provided for the Trustees for the Salary Deferral Plan and Employee Matching Plan) by utilizing two (2) proxy funds. He explained that the plan has grown from approximately $49 million as of 12/31/2015 to approximately $92 million as of 11/08/2021. Further, the average annual return for the portfolio since inception is 8.35% as of September 30, 2021 which is significantly higher than the actuarial goal of 6.5-6.75%. He also explained that the T Rowe Price Blue Chip Growth I fund is currently under review because of its performance but no replacement is being recommended at this time. However, he will be prepared to present possible alternatives for the Board's consideration at their next meeting and will be happy to provide an executive summary for each fund's performance for the Board at their future meetings.

Mr. Walley also provided an overview of the economy and market status [consumer confidence, household net worth, savings, income, housing, inflation, supply chain issues, labor/workforce, unemployment, interest rates, Standard and Poor's Index (S&P), Dow Jones Industrial Average, NASDAQ, US bonds, new infrastructure bill, sector returns, and volatility].

In closing, Mr. Walley asked that the Board consider conducting a strategy meeting prior to the next quarterly meeting in February.

In response to a request from Mr. Tracy, Mr. Walley explained that he will be happy to provide an executive summary of the monitoring/scoring report for the portfolio (similar to the one provided for the Trustees for the Salary Deferral Plan and Employee Matching Plan) for the Board to review prior to the quarterly meetings.

Ms. Mickle commented that because the average rate of return for the past several years is significantly higher than the rate being used in the actuarial valuation, staff may need to consult with the County' actuary to determine if the rate used in the actuarial valuation needs to be re-evaluated. A plan with a funded status of around 70% would qualify as a large plan under the law and have more flexibility with investments.

In response to a question from Mr. Tracy, Mr. Walley explained that he has not seen any reports from the firm's analysts regarding concerns about the Chinese real estate bubble.

In response to a question from Mr. Walley regarding the use of American Rescue Plan Act (ARPA) funds, Ms. Mickle explained that the guidelines specifically prohibit use of those funds to fund any retirement plans.

Mr. Fouts explained that the guidance for use of the ARPA funds could potentially free up other funds that can then be used for the Pension Plan. He further explained that $28 million in ARPA funds is earmarked for Coweta County and the first traunch of $14 million has been received. He briefly explained the County's proposed investment (following a Work Session conducted by the Board of Commissioners and input from the community via a survey) of those funds including water and sewerage infrastructure (Water and Sewerage Authority), broadband expansion, and mental/behavioral health services.

RESULT: **ACCOMPLISHED**

Schedule Next Meeting

Motion To: **Schedule a Called Meeting/Work Session**

The Board voted to schedule a Called Meeting/Work Session on Thursday, January 13, 2022 at 9:00 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Kelly Mickle, Board Member
SECONDER:	Mac Tracy, Citizen Member
AYES:	Michael Fouts, Kelly Mickle, Mac Tracy, Eric Smith
ABSENT:	Currently Vacant

Motion To: **Schedule the Next Regular Meeting Session**

The Board voted to schedule the next Regular Meeting Session on Wednesday, February 9, 2022 at 10:30 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Kelly Mickle, Board Member
SECONDER:	Mac Tracy, Citizen Member
AYES:	Michael Fouts, Kelly Mickle, Mac Tracy, Eric Smith
ABSENT:	Currently Vacant

Comments

Comments

Chairman Fouts called for any comments.

Mr. Tracy asked if there is a potential candidate to fill the position formerly occupied by Associate Administrator Eddie Whitlock.

Chairman Fouts and Ms. Mickle explained that the terms of the Trust Agreement specify that the Associate Administrator shall serve as a member of the Board of Trustees for the Pension Plan. Therefore, the verbiage in the Agreement will need to be modified.

Adjournment

Motion To: **Adjourn**

The Board voted to adjourn the meeting.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Fouts, Chairman
SECONDER:	Kelly Mickle, Board Member
AYES:	Michael Fouts, Kelly Mickle, Mac Tracy
ABSENT:	Currently Vacant