Trustees for the Group Pension Plan

Retirement Board Meeting Session

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Wednesday, November 8, 2023	10:00 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	
Shannon Zerangue	Clerk	Present	
Patricia Palmer	Community and Human Resources Director	Present	

The Board of Trustees for the Group Pension Plan met in Regular Meeting Session on Wednesday, November 8, 2023.

Mr. Zach Walley from OneDigital was in attendance.

Mr. David Brown, Pension and Custody Trust Officer with Truist, was also in attendance.

Chairman Fouts called the meeting to order at 10:05 a.m.

Minutes Approval

1. **Minutes of Wednesday, August 23, 2023**

The Board voted to approve the minutes from the Regular Meeting Session held on Wednesday, August 23, 2023.

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

Information for Trustees

2. 14168 Presentation from OneDigital of the Quarterly Investment Report

Mr. Walley presented an overview of the asset allocations as of September 30, 2023 noting the current cash & equivalents (4.75%), fixed income funds (42.01%), and equities (53.24%) which are all within the ranges outlined in the Investment Policy Statement (IPS). If the Board were to choose to reinvest any of the cash assets, those would need to go to fixed income funds because reinvestment to equity funds will be over the ranges outlined in the IPS. He explained that as of September 30, 2023, the portfolio's ending market value was $83,381,093.

In response to a question from Mr. Elliott, Mr. Walley explained that the yield on cash rate is reset weekly depending upon the money markets and indexes, but it is currently at 5.27%.

Mr. Walley also reviewed the total portfolio performance and provided an overview of the performances of each fund based upon benchmarks noting that the Delaware Ivy Mid Cap Growth N fund is being monitored, but there are no recommended fund changes at this time.

In response to a question from Mr. Tracy, Mr. Walley explained that underperformance of a fund is generally monitored for two (2) quarters before a replacement will be presented for consideration by the Board.

Mr. Walley also briefly provided an overview of the economy and market status (Standard & Poor's, Dow, NASDAQ, stocks, bonds, sector returns, equity style boxes, Consumer Price Index (CPI), interest rates, potential recession, Gross Domestic Product (GDP), inflation, federal and consumer debt, lending standards, wage growth, unemployment, mortgage rates, housing inventory, and volatility).

Mr. Walley fielded questions from Mr. Freeman, explaining that he has not studied the rates international markets would be willing to lend based upon loan tightening by US banks, and that auto loan defaults typically occur before mortgage defaults.

RESULT:	ACCOMPLISHED

3. 14171 Cybersecurity Discussion

Mr. David Brown introduced himself to the Board explaining that he is a Pension and Custody Trust Officer for Truist Atlanta noting that he has 20± years' experience in the banking industry. He commended the Board for their awareness that fraudsters are continuously trying to gain access to an organizations most valuable assets which are data and information. He explained that many of Truist's safeguards are confidential but noted that Truist has multilayered defenses to address cyber threat identification, protection, detection, response and recovery. The company cultivates a risk-aware culture, protecting systems and data through robust testing, training, and education for teammates by providing data protection guidance and education to clients. Additionally, Truist's organizational structure is designed to support cross-country partnerships required to carry out a holistic cybersecurity strategy.

He further explained that Truist continually invests in cybersecurity capabilities and innovation, including where and how security and response teams operate. He noted that Truist is developing Cyberfusion centers that unite cybersecurity experts with teams across the enterprise, such as fraud, physical security, risk, and business partners. These Cyberfusion centers enhance speed and ability to monitor, detect, prevent, and respond to cyber threats.

In addition, he explained that Truist is subject to regular testing and vulnerability assessments. These include tests performed by third-parties, as well as those completed in-house. The level of testing is based on a risk pyramid that takes into account exposure, confidentiality, and regulatory requirements, and to meet the ever-changing needs of the financial services business model and financial sector, fast-paced technology industry, and increasing regulatory requirements. Corporate Information Security Program protocols are based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) and adopt blended guidelines from the International Standards Organization (ISO) 27000 series, the IT Governance Institute, and Control Objectives for Information and Technology (COBIT) [Information Systems Audit and Control Association's COBIT]. This customized approach enables the Information Security Framework to easily complement Truist's operation environment and drive strategic objectives at the enterprise level.

Mr. Brown highlighted the following protocols utilized to protect client data/information:

- Encryption and key management
- Hardware security module
- Privatization and masking
- Data loss prevention
- Database security
- File integrity protection
- Third-party brand protection
- Preventing removal of Truist organizational information by ensuring the equipment is decommissioned, sanitized, retained, or has received exemption from the policy.

In closing, he explained that Truist's insurance includes cybersecurity and reviewed various coverage types, limits, and riders. He explained that security events are restricted information in accordance with their policy are strictly limited. Truist has a dedicated program and team(s) to manage information security/cyber incidents in accordance with documented policies and procedures. The key components of the process include detection, triage, escalation, initial containment, analysis, eradication, recovery, and post-incident lessons learned. Incidents are assigned a risk severity, and the team(s) partners with Privacy Office and Legal to ensure appropriate reporting to key internal and external stakeholders.

During his presentation, Mr. Brown fielded a question from Mr. Tracy regarding insurance coverage and a question from Chairman Fouts regarding Automated Clearing House (ACH) usage explaining that ACH is safer, but some clients still elect to receive paper checks.

RESULT:	**ACCOMPLISHED**

Comments

Comments

Chairman Fouts called for any comments. There were none.

Schedule Next Meeting

Motion To: **Schedule Work Session**

The Board voted to schedule a Work Session on Thursday, January 25, 2024 at 9:00 a.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Fouts, Chairman
SECONDER:	Eric Smith, Employee Member 2
AYES:	Fouts, Mickle, Smith, Tracy, Elliott

Motion To: **Schedule Next Meeting**

The Board voted to schedule the next meeting on Wednesday, February 28, 2024 at 10:30 a.m.

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

Adjournment

Motion To: **Adjourn**

The Board voted to adjourn the meeting.

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