



Minutes

Retirement Pension Committee
Tuesday, August 23, 2022
10:30 am

The Retirement Pension Committee met on Tuesday, August 23, 2022 in the Commissioners Conference Room of the Fayette County Administrative Complex, 140 Stonewall Avenue, Fayetteville, Georgia and also virtually via Microsoft Teams.

Committee Present:

Jeff Hill, Chief of Fire & EMS
Lewis Patterson, Human Resources Director
Steve Rapson, County Administrator
Vanessa Tigert, Water System Director
Michelle Walker, Sheriff's Office
Sheryl Weinmann, Chief Financial Officer

Staff Present:

Kennya Carter, HR Benefits Manager

Retirement Representatives Present:

Alice Davis, OneDigital
David Griffin, OneDigital
Kale Hodges, ACCG – via Teams
Ray Vuicich, UBS Inst Consulting Group – via Teams

Call to Order:

Motion was made to call to order the Quarterly Retirement meeting by Jeff Hill at 10:35am.

Approval of Minutes – Motion was made to approve the minutes for 5/24/2022 by Vanessa Tigert and seconded by Lewis Patterson. Motion was approved.

Old Business:

N/A

New Business:

Putnam Stable Value Rate

The Putnam Stable Value Rate is 2.14%. Reviewed by David Griffin, OneDigital.

Investment Performance Review

David Griffin reviewed the 2Q22 Investment review prepared for Fayette County. The report was broken down by OneDigital Quarterly Markets In Focus, Fund Decisions, Executive Summary, Asset Allocation, and Performance Summary.

OneDigital Quarterly Markets In Focus

David Griffin provided a summary of the OneDigital Quarterly Markets In Focus provided in the investment review.

Review

Global stocks suffered the worst 1st half since March 2009 down more than 20%. US Bonds had their worst 1st half in history with a greater than 10% negative return. Global economies retreating growth and heading toward a soft-landing amid high inflation. Central Banks are tightening policy measures in an “all-in” combat against inflation.

Strengths

- Consumer spending remains resilient despite surging inflation with pent-up demand for travel and leisure.
- The labor market remains a bright spot within the economy with low levels of unemployment, limited lay-offs and continued job openings.
- Stock valuations have come down, but company earnings remain solid.

Risks

- Elevated risk of recession over the next two years associated with stubbornly high inflation resulting in reduction in real disposable income.
- Fed's focus on inflation first, which raises the risk of rising rates sharply and hurting labor market, which in turn could slow economic growth leading to stagnation.
- Slower response from fiscal policy makers from the lessons learned from aggressive stimulus during pandemic recession leading to today's high inflation.

Outlook

- Soft landing seems more likely with negative surprise on growth and inflation.
- More restrictive monetary policy with rates rising rapidly and for the longer term, to prevent higher inflation from becoming entrenched.
- The Fed's long-term inflation target is still anchored at 2% but it's “dead set” to tame inflation, which is perceived as the greatest threat to equity and bond markets.

Fund Decisions & Executive Summary

Fund to be Added:

- American Funds International Growth & Income – this fund needs to be added for the

Empower Managed Account feature. Morningstar monitors these accounts and requires a fund in the asset class be available to function properly.

Funds on Watch:

- Allspring Discovery – Mid Cap Growth, on watch for 2 consecutive quarters. Will be replaced with Invesco Discovery Mid Cap Growth (new fund).
- Western Asset Core Plus Bond – Intermediate Core Plus Bond, on watch for 2 consecutive quarters. Will be replaced with JPMorgan Core Plus Bond (new fund)

A motion was made by Steve Rapson and seconded by Vanessa Tigert to add American Funds International Growth & Income. Motion was approved.

A motion was made by Steve Rapson and seconded by Lewis Patterson to remove Allspring Discovery and replace it with Invesco Discovery Mid Cap Growth, and to remove Western Asset Core Plus Bond and replace it with JPMorgan Core Plus Bond. Motion was approved.

Performance Summary

David Griffin reviewed the performance summary with the committee.

Empower Quarterly Investment Review

Alice Davis reviewed the Empower 2QT22 administrative reports.

ACCG 2nd Qtr 2022 Performance Report

Kale Hodges discussed administration administrative aspects of the defined benefit plan. Ray Vuicich reviewed the ACCG Quarterly Performance Report.

Additional Items:

The next meeting is scheduled Tuesday, November 29, 2022 at 10:30am.

Adjournment:

Motion was made to adjourn the meeting at 11:15am by Jeff Hill and seconded by Lewis Patterson. Motion was approved.

Minutes prepared by Alice Davis, Senior Client Relationship Manager – OneDigital.

The minutes were duly approved at an official meeting of the Retirement Pension Board of Fayette County, Georgia held on Tuesday, November 29, 2022.



Alice Davis, Senior Client Relationship Manager – OneDigital