



Minutes

Retirement Pension Committee
Tuesday, November 29, 2022
10:30 am

The Retirement Pension Committee met on Tuesday, November 29, 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
Phill Mallon, Public Works Director
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 – via Teams
David Griffin, OneDigital
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 10:34am.

Approval of Minutes – Motion was made to approve the minutes for 8/23/2022 by Phill Mallon and seconded by Sheryl Weinmann. Motion was approved.

Old Business:

N/A

New Business:

Putnam Stable Value Rate

The Putnam Stable Value Rate is 2.15%. Reviewed by David Griffin, OneDigital.

Investment Performance Review

David Griffin reviewed the 3Q22 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

Inflation is running hot and significantly above the Fed's target, with core inflation driven higher by the imbalance between supply and demand, and building pressures beyond just food and energy prices. Rate hikes are starting to bite into the real economy and could hurt the labor market. There is fear of recession in the next 12 months, given the aggressive Fed policy and strong dollar tightening financial conditions globally.

Strengths

- Juice is still left in the labor market with record-setting payroll and a low unemployment rate.
- The service sector is still expanding and the consumer balance sheet remains strong.
- Fed's unwavering commitment to bring inflation under control, and the congressional mandate of price stability.

Risks

- A new regime of higher macroeconomic volatility is playing out as the trade-off worsens between fighting inflation and the damaging consequences of rate hikes.
- Tighter monetary policy to control inflation could lead to rising unemployment and lower productivity.
- A recession is looking more likely by the second half of 2023.

Outlook

- The earnings outlook for the fourth quarter is darkening, with declining Earnings Per Share (EPS) estimates.
- Sustained economic slowdown is resulting in higher volatility in the markets.
- The so-called Great Moderation with four decades of steady growth and inflation is over, and central banks now face a starker trade-off: Crush economic growth or live with higher inflation, so expect higher macro and market volatility.

Fund Decisions & Executive Summary

Fund Updated November 1, 2022:

- American Funds International Growth & Income – this fund was added for the Empower Managed Account feature. Morningstar monitors these accounts and requires a fund in the asset class be available to function properly.
- Allspring Discovery – Mid Cap Growth, on watch for 2 consecutive quarters. Replaced with Invesco Discovery Mid Cap Growth (new fund).
- Western Asset Core Plus Bond – Intermediate Core Plus Bond, on watch for 2 consecutive quarters. Replaced with JPMorgan Core Plus Bond (new fund).

Fund on Watch:

- MFS Global Equity – first quarter on watch, will continue to monitor.

Performance Summary

David Griffin reviewed the performance summary with the committee.

ACCG 3rd Qtr 2022 Performance Report

Ray Vuicich reviewed the ACCG Quarterly Performance Report.

Additional Items:

The following calendar dates for quarterly meetings were proposed - Feb. 28, 2023, May 23, 2023, Aug. 22, 2023, Nov. 28, 2023.

Lewis Patterson made a motion to approve the meeting dates and Phill Mallon seconded the motion. Motion was approved.

The next meeting is scheduled Tuesday, February 28, 2023, at 10:30am.

Adjournment:

Motion was made to adjourn the meeting at 11:07am 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, February 28, 2023.

Alice Davis, Senior Client Relationship Manager – OneDigital