



### **Minutes**

Retirement Pension Committee  
Tuesday, February 28, 2023  
10:30 am

The Retirement Pension Committee met on Tuesday, February 28, 2023, 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  
Michelle Walker, Sheriff's Office  
Sheryl Weinmann, Chief Financial Officer

#### **Staff Present:**

Kennya Carter, HR Benefits Manager

#### **Retirement Representatives Present:**

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

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#### **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 11/29/2022 by Michelle Walker and seconded by Phill Mallon. Motion was approved.

#### **Old Business:**

N/A

#### **New Business:**

##### **Putnam Stable Value Rate**

The Putnam Stable Value Rate is 2.39%. Reviewed by David Griffin, OneDigital.

## **Investment Performance Review**

David Griffin reviewed the 4QT22 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**

2022 was a difficult year for investors – Equity indices and bonds were both negative for only the second time since 1975. Geopolitical events ruled the headlines for most of the year as Europe experienced its first full scale land invasion since World War II. Rising inflation caused the Federal Reserve to tighten much more aggressively than anticipated, causing ripples across asset classes.

#### **Strengths**

- The U.S. jobs market remains strong, as unemployment is low and a lot of jobs are available, which are contributing to wage increases for U.S. workers.
- Inflation appears to have peaked last summer and has been moving downward, and pressure from high energy prices has been trending downward.
- Even though household net worth in the U.S. decreased since the beginning of 2022, is still 23% higher than pre-pandemic levels.

#### **Risks**

- The risk of recession is high: In the U.S., the Fed's interest rate hikes could slow economic growth, and Europe faces an even bigger risk of recession.
- Geopolitical risk is still high because there is no clear conclusion from the Russia-Ukraine conflict, and China remains a question mark as it relaxes its COVID-19 policies and cautiously reopens.
- U.S. Consumer data is showing signs of cracking, as retail sales have declined, credit card usage is up, and the savings rate is down.

#### **Outlook**

- There have only been three times since 1936 that the S&P 500 was negative in consecutive years, so we are looking for a recovery through the end of 2023.
- Bonds once again offer the capacity to act as an investment diversifier as most of the Fed rate hikes are likely behind us, meaning duration risk is lower.
- Geopolitical risk is expected to decrease: Even though the Russia/Ukraine war will likely continue, the world's response in sanctioning Russia for the invasion should deter other countries from moving forward with military aggression.

## **Fund Decisions & Executive Summary**

Funds 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).

No funds on Watch.

### **Performance Summary**

David Griffin reviewed the performance summary with the committee.

### **Empower 2022 Annual Review**

Aaron Schleup reviewed the Empower 2022 Annual Review.

### **ACCG 4<sup>th</sup> Qtr 2022 Performance Report**

Paul Bates discussed ACCG administrative updates. Ray Vuicich reviewed the ACCG Quarterly Performance Report.

### **Additional Items:**

The next meeting is scheduled Tuesday, May 23, 2023, at 10:30am.

### **Adjournment:**

Motion was made to adjourn the meeting at 11:20am by Lewis Patterson and seconded by Michelle Walker. 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, May 23, 2023.

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Alice Davis, Senior Client Relationship Manager – OneDigital