

FAYETTE COUNTY RETIREMENT BOARD
Meeting Minutes
Wednesday, June 23, 2021

A meeting of the Retirement Board was held on Wednesday, June 23, 2021 in the Commissioner's Conference Room.

1. **Commissioner Lohr called the meeting to order at 10:02 a.m. via web teams beginning with a silent prayer and the pledge of allegiance.**

2. **Roll Call**

Roll call was taken and the following members were present:

PRESENT: Dave Lohr, Chairman
Scott Dunn, Vice Chair
Vince Vicites, Commissioner
Scott Abraham, Controller
Debra Apicella, Chief Deputy Treasurer

The following were also in attendance during the meeting:

ALSO PRESENT: Sarah Wilson, Marquette Associates
Jack Purcell, Retirement Solicitor
Mary Over, Chief of Staff to Commissioner Vicites
Andrea Kacmar, Accounts Clerk III
Tammy Nedrow, Chief of Staff to Commissioner Dunn

3. **Public Comment on agenda items.**

No public comment.

4. **Consider approval of the Wednesday, February 17, 2021 Retirement Board Meeting minutes.**

Motion was made by Controller Abraham and 2nd by Commissioner Dunn to approve the Wednesday, February 17, 2021 Retirement Board Meeting minutes.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

5. **Ratify the following payments made from February 17, 2021 to June 22, 2021 in the amount of \$1,739,817.52.**

Motion was made by Commissioner Dunn and 2nd by Controller Abraham to ratify the payments made from February 17, 2021 to June 22, 2021 in the amount of \$1,739,817.52.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

6. **Recognize the Retirement of the following employees:**

Sherri Shotter (Courts)	23 years of service
Edward Furlong (Sheriffs)	15 years of service
Donald Gallagher (FACT)	8 years of service
Ross Williams (FACT)	8 years, 6 months of service
Lawrence Grace (FACT)	9 years of service
Sue Martin (Planning)	36 years of service
Stephen Bellacima (FACT)	2 years, 6 months of service
Carl Gergely (FACT)	9 years, 8 months of service

7. **Consider authorizing payment for 3rd quarter of 2020 actuarial services for the period of October 1, 2020 to December 31, 2020 in the amount of \$7,194.00, payment for 4th quarter of 2020 actuarial services for the period of January 1, 2021 to March 31, 2021 in the amount of \$7,194.00 and payment for 1st quarter of 2021 actuarial services for the period of April 1, 2021 to June 30, 2021 in the amount of \$7,265.00 to Korn Ferry Hay Group.**

Motion was made by Controller Abraham and 2nd by Commissioner Dunn to authorize payment for 3rd quarter of 2020 actuarial services in the amount of \$7,194.00, payment for 4th quarter of 2020 actuarial services in the amount of \$7,194.00 and payment for 1st quarter of 2021 actuarial services in the amount of \$7,265.00 to Korn Ferry Hay Group

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

8. **Consider authorizing payment for 1st quarter of 2021 custodian fees for the period of January 1, 2021 to March 31, 2021 in the amount of \$7,290.68 to PNC Institutional Investments.**

Federated Investors, Inc.	\$ 1,325.44
GW&K Investment Management	\$ 982.68
Marquette Mutual Funds	\$ 4,982.56
	\$ 7,290.68

Motion was made by Commissioner Dunn and 2nd by Controller Abraham to authorize payment for the 1st quarter of 2021 custodian fees in the amount of \$7,290.68 to PNC Institutional Investments.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

9. **Consider authorizing payment for 1st quarter of 2021 advisory fees for the period of January 1, 2021 to March 31, 2021 in the amount \$7,240.63 to Federated Investors, Inc.** Motion was made by Controller Abraham and 2nd by

Commissioner Dunn to authorize payment for 1st quarter of 2021 in the amount of \$7,240.63 to Federated Investors, Inc.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

10. **Consider authorizing payment for 1st quarter of 2021 consulting fees for the period January 1, 2021 to March 31, 2021 in the amount of \$40,876.94 to Peirce Park Group c/o Marquette Associates.** Motion was made by Controller Abraham and 2nd by Commissioner Dunn to authorize payment for 1st quarter of 2021 in the amount of \$40,876.94 to Peirce Park Group c/o Marquette Associates.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

11. **Consider approval of the ARC payment of \$1,000,000.00 in the budget for 2021.** Motion was made by Commissioner Dunn and 2nd by Controller Abraham to authorize payment of \$1,000,000.00 for ARC.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY

12. **Marquette Associates presentation on the 1st quarter of 2021 performance of the pension fund.**

Marquette recently added Somerset County as a client in February 2021. In the coming year, members will be able to follow Marquette's market insights on YouTube.

Market Environment

US Economy

Real GDP increased in the first quarter at an annual rate of 6.4% amid strong consumer spending. It is projected that 2021 will be the strongest year for economic growth since 1984. Inflation is expected to rise but should taper off once the economy is back to work. There will probably be a surge of mortgages since the Federal Reserve did not raise the interest rates. The rise in lumber costs has not yet affected new home builds. Inflation is expected to rise by 2.1% over the next twelve months.

Global Economy

The global economy is set to grow at 6% in 2021. Between January 2021 and April 2021, every country has seen higher economic growth since the economies are starting to open after the pandemic. Global equities rallied in the first quarter after bottoming out in March 2020. US equities from March 2020 to March 2021 grew by 62.5%. US Bonds in the 1st quarter were down 3.4%.

US Equity Markets

US equity markets continued their strength in the 1st quarter. They had their best rolling 1-year return since the early 1980's. In the 1st quarter, energy was up 32% and financials were up 16.5%. Consumer discretionary spending is up 5% in the 1st quarter. Interest rates affected most fixed income bonds and made them fall sharply in the 1st quarter.

Portfolio Overview

Market Value of the Retirement Fund as of March 31, 2021 was \$92.3 million. The fund returned 3.7% for the 1st quarter of 2021 and had a net investment gain of \$3.3 million dollars. Since its inception in August 2012 the fund gained \$52.1 million and had an annualized return of 9.4%.

The Equity Composite returned 5.6% for the 1st quarter of 2021. The U.S. Equity Composite returned 8% for the 1st quarter of 2021. Global Equity Composite returned 1.7% for the 1st quarter of 2021. The Non-U.S. Equity Composite returned 4.4% for 1st quarter of 2021. The 1st quarter Real Estate Composite returned 2.1% versus a benchmark of 1.9%. Fixed Income Composite returned (-1.9%) for the 1st quarter of 2021. Cohen & Steers Global Infrastructure Fund was added in March 2021 which accounted for about 5% of the portfolio. This fund is in addition to the JP Morgan Infrastructure Fund which was added in September 2020.

The US Equity Composite gained 8% and outperformed the benchmark of 6.3%. The Global Equity Composite gained 1.7% while AB Global which was added in July 2020 gained 6.7% versus 4.6%.

The Non-US Equity Composite did 4.4% versus 3.8%. Schroder did 8.4% versus 7.1% while Fidelity Total International Index and Fidelity Emerging Markets Index were added in January and February. JP Morgan Infrastructure did 1.9% in the 1st quarter and 7.3% since inception in September 2020.

The expected return for the year is projected to be a 5% - 7%.

13. Public Comment

No public comment.

14. Adjournment

A motion was by Commissioner Dunn to adjourn the meeting and 2nd by Controller Abraham at 10:44 a.m.

The vote was:

Commissioner Lohr	yes
Commissioner Dunn	yes
Commissioner Vicites	yes
Controller Abraham	yes
Chief Deputy Treasurer Apicella	yes

MOTION CARRIES UNANIMOUSLY