

CLAYTON COUNTY PENSION BOARD

Regular Pension Board Meeting
8:30 a.m.

February 10, 2022

MINUTES

PRESENT: Terry Hicks, Chairman; James Crissey, Vice-Chair; Pamela Ambles, Member, and Katherine Dodson, Member.

ALSO PRESENT: Jon Breth, AndCo Consulting; Rick Arenburg, Cass Hollis, Bryan Cave Law Firm; Kerri Hathaway and Vanessa Sarden, Finance Department.

1. Chairman Terry Hicks called the regularly scheduled Pension Board Meeting to order.
2. A motion to adopt the agenda was made by Mrs. Katherine Dodson and seconded by Mr. Jim Crissey. The vote was unanimous.
3. A motion was made by Mrs. Ambles to adopt the November 11, 2021, Regular Pension Board Meeting minutes as presented, and her motion was seconded by Mr. Jim Crissey. The minutes were unanimously approved and accepted, absent Ramona Bivins, Secretary.
4. Chairman Hicks opened the floor for the Nomination and Election of Clayton County Pension Board 2022 officers. Mrs. Katherine Dodson nominated Mr. Terry Hicks to remain the incumbent Chairman for the upcoming year and her motion was seconded by Mrs. Pamela Ambles. The vote was unanimous, absent Ramona Bivins.

Chairman Hicks opened the floor for the "Nomination and Election of Vice-Chair," Mrs. Pamela Ambles nominated Mr. Jim Crissey to remain the incumbent Vice-Chair for the year 2022 and her motion was seconded by Mrs. Katherine Dodson. The vote was unanimous, absent Ramona Bivins.

5. Mr. Jon Breth of AndCo Consulting opened by presenting the "Investment Performance Review, Period Ending December 31, 2021, Executive Summary" for the quarterly performance review. Mr. Breth briefed the Board on the growth of AndCo Consulting and how in their 21 years of service they have used revenue growth to reinvest into the company, by doing so, this has placed the company in a position to grow its base around the country.

Mrs. Ambles asked if AndCo was able to expand diversity with the expansion of their staff. Mr. Breth explained how minorities have recently been added to their research, operations, and finance groups. He volunteered to provide her with additional information about the diversity within the company.

He continued with a recap of the 4th quarter of 2021. The US economy showed, strong performance with improved corporate earnings and increased consumer spending. Consumer demand remained strong contributing to inflationary pressures which prompted the Fed to indicate it would begin to raise short-term interest rates.

US equities rose to all-time highs during the 4th quarter. The *S&P 500 Large Cap index* had a return of 11%, the Russell 1000 index had a return of 9.8%, the Russell 2000 *Mid Cap* index had return of 6.4% and the Russell *Small Cap* index had a return of 2.1%. He noted that emerging markets declined primarily due to concerns over China. He added China is the second-largest country in the developed market index (9.4%), and its weight dominates the emerging markets investing index (32.5%). The *MSCI EAFE Index* had a return of 2.7%, the *MSCT Emerging Markets Index* had a -1.3% decline.

The *Fixed Income S&P 500 Large Cap Stock Index* led the equity market performance for the year with a return in the index of 28.7% with the *Energy* sector up 55.9%, the *Financial* sector up 35.5%, and the *Real Estate* sector up 40.5%.

He continued by stating that performance varied across styles and market capitalizations. Large-cap growth outperformed its value counterpart for the quarter. The Russell 1000 Growth Index posted a return of 11.6% for the quarter.

Performance across styles and capitalizations was broadly robust over the trailing one-year period with the exception being small-cap growth stocks. The *Russell 2000 Growth Index* had a return of 2.8% for the year behind its value counterpart, the *Russell 2000 Value Index* with a return of 28.3%. However, variation in returns among mid and small-cap style-based indexes was evident. Four sectors in the Russell 1000 exceeded the broad benchmark's return for the trailing one-year period: *Energy* performed at 67.8%, *Real Estate* performed at 29.4%, *Financials* performed at 28.1%, and Information Technology performed at 15.9%.

He further stated the quarter ended with the plan's investment mix being in line with the target allocation model; the *Smart Market Allocation* process was approved and is expected to be completed by late Q1 or late Q2. He advised the Board that funds removed from the Stockbridge account will be used to rebalance funds, and during the fourth quarter there was a rebalance in the portfolio where \$4 million was moved from the *Vanguard Total Stock Market (VITSX)* to supplement and rebalance cash needs. He stated some additional rebalancing may be forthcoming as the fund moved to rebalance to address additional cash needs.

Mr. Breth explained the County fiscal year began with \$573 million in the asset allocation account with a net outflow of \$13 million and an investment gain of \$12.2 million for the fiscal year.

In reviewing the Comparative Performance chart for the plan's investment funds, Mr. Breth noted that *Eagle Capital* performed at 3.52%, *Clearbridge* performed at 9.09%, *Alger Capital Appreciation Fund (ACAZX)* had a performance of 5.50%, *DePrince, Race & Zillow* performed at 8.98%, *Channing Capital SMID Value* performed at 5.67% and *Jackson Square Smid Cap Growth I (DCGTX)* had a performance of -9.19% and the *Garcia Hamilton Core Bond* performed at -0.08%, each for the fourth quarter of 2021. He noted that *Jackson Square Smid Cap Growth I (DCGTX)* performed at -16.44% for the fiscal year to date but was in line with its benchmark over its entire, but relatively brief, lifespan.

With respect to international equities, Mr. Breth stated the *MFS International Value R6 (MINJX)* a long-term core manager performed at 5.47%, *Oakmark International*, a value manager, performed at -4.56%, and *American Funds EuroPacific (REGRX)*, the growth manager, had a performance of -3.45%, each for the fiscal year to date.

Within *Fixed Income* investments, Mr. Breth described *JP Morgan Core Plus Bond R6 (JCPUX)* as having the best performance at 0.21% and *MetWest Total Return Bond (MWTX)* having performance of .03%, each for the fiscal year to date. He concluded by noting that the new manager *Loomis Sayles Global Bond (LSGNX)*, which was purchased last year, had a reasonable return compared to its benchmark, while *Templeton Global Broad Market Bond R6 (FBNRX)* continues to underperform with its returns.

In conclusion, Mr. Breth presented Exhibit A-2 "Investment Guidelines" from *Channing Capital Management, LLC* requesting permission to make changes to its portfolio characteristics. They are as follows: increase the market capitalization range from \$900 million to \$15 billion; the number of holdings to range from 35-50; an individual stock position range to a maximum of 5%; maximum allocation to a single economic sector – portfolio sector weights can be the greater of 20% or 2.5x the index weight of any sector; maximum cash allocation at market value of 5%; and annual turnover to range from 30 – 70%.

Mrs. Katherine Dodson made a motion to accept the Channing Capital Management LLC recommendations and her motion was seconded by Mrs. Ambles. The vote was unanimous.

A copy of the Clayton County Georgia ERS "Investment Performance Review, Period Ending December 31, 2021", and "Investment Performance Review, Period Ending December 31, 2021, Booklet 2" and the "Investment Guidelines recommendations from Channing Capital Management, LLC" are on file in the Chief of Finance Officer's office.

6. A motion was made by Mrs. Ambles for approval of the quarterly benefits for those participants identified in the body of these minutes. The motion was seconded by Mrs. Katherine Dodson. The vote was unanimous.

February 10, 2022

First Name	Last Name	Years of			Form	Amount	Department
		Service	Age				
Normal Retirements							
Fanny	Arredondo	22.75	74	5CC	2,021.33	Aging	
Milton	Cox Jr.	14.92	71	100JS	2,467.84	District Attorney	
Allen	Crenshaw	32.00	54	100JS	6,711.18	District Attorney	
Ronald	Foley	16.33	61	100JS	2,023.71	Sheriff	
Dennis	Higgins	25.50	56	10CC	4,907.89	IT	
Patricia	Hill	7.33	66	10CC	662.78	Juvenile Ct	
Charles	Kelly	26.33	54	75JS	3,458.52	T & D	
Kerwyn	Martin	14.42	61	5CC	1,653.42	Sheriff	
John	McAllister	11.17	76	100JS	679.86	Probate Ct	
Deborah	Norsworthy	12.58	66	5CC	1,626.52	Parks & Rec	
Janakkumar	Patel	9.33	63	10CC	1,463.46	Water Authority	
Marc	Richards	25.33	55	10CC	4,141.57	Police	
Skipper	Stevens	10.42	63	100JS	1,548.30	IT	
Charles	Tomlin	12.42	61	100JS	1,792.58	Police	
Warren	Torres-Toro Jr.	34.75	65	100JS	5,946.24	Police	
Charles	Turner	20.50	73	5CC	1,765.70	Parks & Rec	

Early Retirement

Dexter	Broughton	33.25	53	5CC	3,733.37	Water Authority
James	Gray	22.17	55	50JS	1,604.95	Fire
Delbert	Williams	25.08	54	5CC	3,078.96	Water Authority

Disability Retirement

None

Beneficiary Benefit

Evelyn	Drake				2,834.87
S. Melinda	Graves				1,634.75
Mary	Malcom				2,884.58
Angela	Murphy				5,518.50
Jose	Orihuela				797.22

Lucy	Parks	3,102.72
James	Roddy	504.70

Beneficiary Benefit - Lumpsum

India	Ali	72,367.32
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Vested Termination

Mylisha	Adams	9.75	35	5CC	846.64	Juvenile Ct
Kyris	Barnett	7.42	48	5CC	718.39	Fire/EMS
Dixie	Brookins	15.67	46	5CC	1,622.38	Parks & Rec
William	Bryan	15.92	39	5CC	2,390.17	Solicitor General
Isaac	Caleb	15.08	40	5CC	1,942.67	Police
David	Carter	13.00	43	5CC	1,333.55	Police
Willie	Deese	17.83	51	5CC	2,499.48	Police
Tabatha	Givens	12.50	48	5CC	1,549.29	Sheriff
Owen	Kelleher	10.67	43	5CC	1,116.90	Water Authority
Eddie	McGhee Jr.	16.25	44	5CC	2,494.84	Sheriff
Steven	Orr	22.75	50	5CC	2,930.95	Sheriff
Charlene	Watson-Fraser	10.08	53	5CC	1,311.75	Police

Refund - in - Lieu

Derrick	Blackwell	14.83	46	RIL	66,560.72	IT
Jasmine	Edwards	9.92	34	RIL	25,388.26	Solicitor General
Charles	Edwards Jr.	8.83	40	RIL	36,277.99	Fire
Terry	Evans	14.08	52	RIL	56,620.08	Sheriff
Pamelyn	Harris	8.92	56	RIL	26,641.52	Juvenile Ct
Thomas	Page	13.33	47	RIL	51,980.56	Police
Raymond	Paradiso III	9.08	34	RIL	34,619.37	Police
Griffin	Shirley	8.25	37	RIL	26,580.53	Juvenile Ct
Lamarcuso	Smith	7.58	45	RIL	29,750.47	Corrections
Alesha	Trimboli	10.00	30	RIL	27,663.27	IT

QDRO Recipient

None

Suspended

Kerwyn Martin 14.42 61 5CC 1,653.42 Sheriff

7. Chairman Hicks opened the floor to discuss other business. The Chairman stated Ms. Hathaway has registered all the Board members to attend the GAPPT Conference to be held March 21 – March 25, 2022. Mrs. Hathaway asked the Board members to let her know if they will not be attending the conference because February 28th is the deadline to receive refunds. Mrs. Ambles confirmed she would not be in attendance.
8. A motion was made by Ms. Katherine Dodson to adjourn the Regular Pension Board Meeting and her motion was seconded by Mrs. Pamela Ambles. The vote was unanimous.

Clayton County Pension Board

Terry Hicks, Chairman

Date

Ramona Bivins, Secretary

Date