

PENSION BOARD REPORT

DECEMBER 12, 2018

Submitted by:

Wanda Messina, Retiree Trustee, Position # 10

E.A. Platt, Retiree Trustee, Position # 6

Gary Stiles, Retiree Trustee, Position # 7

Andrew Stephens, Active Trustee, Position # 8

Woody Woodall, Retiree Trustee, Position # 9

- ❖ The minutes from November 16, 2018 meeting were ratified
- ❖ New pension applications were approved for **17** retirees (list of new retiree names from December, 2018 and January 2019 meetings will be provided to FCREA for listing in the February, 2019 newsletter
- ❖ A letter written signed by the Chairman and Vice Chairman of the Pension Board was presented to be forwarded to the Board of County Commissioners requesting retirees in plans prior to 1982 be considered in the 2019 budget for a raise, since a raise has not been given since 2016.
- ❖ There were no committee reports presented for Elections, Outsourcing and Vendor Contracts as those committees did not meet this month.
- ❖ Mr. John McCarthy, Jr. reported that the Investment Committee listened to a presentation from Legg Mason Brandywine and there is nothing new to report on this fixed income company's performance at this time. The Committee will continue to discuss SMID investments (small to mid-cap stocks) at the committee meeting in January.
- ❖ Bryce Riddle Reported there are currently **3,229** retirees. There are currently **269** active employees in the defined benefit plan. Of those waiting to retire, 18 are fully vested.
- ❖ The Statement of Revenues, Expenses and Change in Fund Balance for the eight months ending October 31, 2018 was presented. **FUND BALANCE IS \$1, 292,692,593.**
- ❖ The Market Value Estimation Report was presented which shows a year-to-date return of -0.68%, but a monthly estimated return of 1.32%.
- ❖ The Market Value Estimation Report also shows the County contribution to the plan of \$5 million for the month of November.
- ❖ Mr. Riddle reported that the Plan's book value on equity assets is at 70.9% which is in compliance with the State requirements that this be no greater than 75%, so we are in compliance with State Law.

- ❖ Keith Stronkowsky from NEPC gave an investment summary report. He reviewed the companies that outperformed the benchmark. He also reviewed any under performance by companies and these will be reviewed in investment committee meetings each month. For the month of November, the return on investments was 1.3%, which outperformed the policy index benchmarks. He also reviewed the fees for each investment company and indicated that our average in fees is 45 bps, which is 12 basis points lower than the national average of 57 basis points. He also reported that Atlanta Capital in their small cap equity, and Atlanta Capital in their SMID Cap Equity, as well as RBC outperformed their Index.
- ❖ A report was presented which outlines all the reoccurring contracts which require Pension Board approval for renewal. This includes contracts for actuary, audit, legal and consulting services as well as our Fiduciary Insurance, meeting transcripts and death reporting. Any contract that expires in 2019 will be reviewed by the Vendor Contracts Committee at an appropriate time.
- ❖ Training budget report was presented. No new training has been requested.
- ❖ Report on deceased retirees was presented. Five retirees have passed away since our last report. Names will be forwarded to FCREA from the December, 2018 and January, 2019 Pension Board meetings for listing in the FCREA February, 2019 newsletter.
- ❖ A report was given concerning a number of retirees on disability that have not returned their disability certifications. This could result in pension checks for those retirees being withheld until certification is provided. Elected trustees offered to take the list of names and make contact with disabled retirees that they know, or their families, in order to attempt to facilitate them providing the necessary paperwork.
- ❖ Discussion took place regarding retirees that return to work who are retired and limited to no more than 1040 work hours per year and if they go over that amount, their pension check will be stopped. There are a few that have gone over those hours by just a small amount. Angela Hobbs reported that some of this is due to two different reporting systems (**County Payroll System and Kronos System, which is used by most departments**). Sharon Whitmore indicated they will research this and determine why there are conflicting reports and they will try to determine a better system for accounting for these hours and then will report back to the Board.
- ❖ Angela Hobbs reported that they will add the NEPC Educational Training to the 2019 reminder calendar for the Board.