

ARMSTRONG COUNTY RETIREMENT BOARD

Meeting Minutes

September 8, 2021, 9:00 AM

The meeting of the Armstrong County Retirement Board (The Board) was called to order by Commissioner Myers in the Commissioners' Conference Room on Wednesday, September 8, 2021 at 10:07 AM. The following attended, unless marked absent:

Board Members:

Commissioners Donald K. Myers (Chairman), Jason Renshaw (Member) - ABSENT, Pat Fabian (Member), Controller Myra L. Miller (Secretary), Treasurer Amanda Hiles (Member)

Guests:

Mr. Pat Wing, Consultant/VP, Marquette Associates
Mr. Aaron Poole, Financial Management Director
Mrs. Amanda Rybarik, Retirement Specialist

Commissioner Myers announced that the meeting was being electronically recorded.

Commissioner Myers led the Pledge of Allegiance.

It was motioned by Treasurer Hiles, seconded by Commissioner Fabian, and carried unanimously to approve the Minutes of the July 6, 2021 Retirement Board Meeting.

It was motioned by Commissioner Fabian, seconded by Controller Miller, and carried unanimously to acknowledge the Peirce Park Group/Marquette Associates Cash Flow Summary Reports for 04/30/2021 – 07/31/2021. It was noted that during the same time period there was a net increase in the Combined Asset Market Value of \$1,658,363 (04/30/2021 - \$81,853,256 to 07/31/2021 - \$83,511,619).

It was motioned by Commissioner Fabian, seconded by Treasurer Hiles, and carried unanimously to acknowledge the Trade Transactions for **MAY 2021 – JULY 2021**.

It was motioned by Commissioner Fabian, seconded by Controller Miller, and carried unanimously to acknowledge Retirement Summary for **JUNE 2021, JULY 2021, and AUGUST 2021**.

It was motioned by Commissioner Fabian, seconded by Treasurer Hiles, and carried unanimously to acknowledge Retirement A/P Bills for **JUNE 2021 – (\$15,684.91), JULY 2021 – (\$5,263.82), and AUGUST 2021 – (\$5,929.18)**.

It was motioned by Controller Miller, seconded by Commissioner Fabian, and carried unanimously to approve the Armstrong County Retirement Budget as presented by Controller Miller.

Mr. Wing presented an investment review, discussing the global economic environment, capital markets and performance of the Retirement Fund. More specifically, Mr. Wing stated that global equity markets have continued to rally amid the current economic recovery and rebound in corporate earnings, while most other asset classes also generated positive returns during the second quarter of 2021.

During Q2, the Fund had an investment return of 5.5%. Mr. Wing also provided a performance update through July. During the month, the Fund returned 0.7%. While August return data was not yet available at the time of the meeting, he estimated that the Fund returned another 1.4-1.5% in the month, leaving the 2021 return at approximately 11.5% and comfortably ahead of the 7.0% actuarial assumed rate of return at this time.

After the discussion, Mr. Wing presented an overview of the County's 457(b) Plan, with a focus on participant fees. He reviewed discussions held with Nationwide, including various pricing proposals. He then noted that, if the County entered into a new agreement with Nationwide, the Plan would no longer use the NaCO fund lineup, where Nationwide implements, monitors and changes the lineup as they see fit. Under a new agreement, Nationwide would no longer perform those functions.

After the discussion, the Board requested that Mr. Wing set up a meeting with Nationwide and County staff to discuss the process for a transition if the County moves to one of the new pricing proposals. The Board also requested a fee quote for Marquette Associates to monitor the fund lineup, if the County decides to move to one of the new pricing proposals.

Finally, the Board revisited a discussion of the current actuarial assumptions. In July, Chuck Friedlander of Municipal Finance Partners presented several changes for the Board's consideration. Controller Miller walked through the changes and their impact on the County's Actuarial Employer Determined Contribution. Mr. Wing also added that these changes would more closely align the assumptions with the actual experience of the Plan and, therefore, would ensure the Plan continues to be properly funded by the County over time.

After discussion, a motion was made by Controller Miller, seconded by Commissioner Fabian, and unanimously carried to update the following actuarial assumptions, as Mr. Friedlander had suggested: Mortality Table, Turnover, Retirement and Salary Scale.

It was motioned by Controller Miller, seconded by Treasurer Hiles, and carried unanimously to adjourn the September 8, 2021 Retirement Board Meeting at 11:06 AM. The next 2021 Retirement Board Meeting will be in the Commissioners' Conference Room on Wednesday, December 15, 2021 at 1:00 PM, unless otherwise rescheduled and advertised.

Respectfully submitted,

Myra L. Miller
Secretary/Controller

MLM