

**MEETING MINUTES – review of Q3 2021**  
**Defined Benefit Plans – Pensions, OPEB, LOSAP**  
**November 8, 2021, 10:15**  
**Room 105, County Office Building**

In attendance:

Marquette Associates (Investment Consultant)

Lauren Cellucci, CIMA, Vice President

Pension Committee Members present:

Ted Zaleski, Director of Management & Budget

Tim Burke, County Attorney

Charles Beckhardt, Technology Services

Werner Mueller, Retirement Plans Manager

Unable to attend:

Kim Frock, HR Director

Robert Burk, Comptroller

OPEB members present:

Werner Mueller, Retirement Plans Manager

Timothy A. League, Director of Fiscal Affairs of CCC

Chris Hartlove, CFO, Board of Education

Talking points from Lauren:

- Q3 GDP growth slowed from the prior quarter, with supply chain constraints and labor shortages contributing to the deceleration.
- Wage rates remain below the rate of inflation, but wage rates may continue to climb due to companies luring prospective employees with increased compensation. Given the backdrop of supply chain issues, home price rises, and rise in commodity prices, the Federal Reserve may raise interest rates from late 2022 through 2024. Similar issues can be found internationally as well.
- US Equities and International Equities were flat to down slightly in Q3, a historically down time for the market. Commodities did well, primarily due to higher energy prices. TIPS outperformed amid rising inflation expectations. Overall, volatility was relatively benign during the quarter.
- Emerging Markets equities is the only major asset class in the red in 2021. China has had regulatory policy changes while Brazil wants to lift their debt ceiling.
- Baird Aggregate Bond posted a slight gain for the quarter – underweight Treasuries and overweight corporate credit. The overall pension portfolio held up well in the down market – Fund Composite -0.1% vs. Policy Benchmark -0.4%. Northern Small-Cap Core has rebounded in the past year. Washington Mutual holding has been terminated. Non-US Equity has also outperformed its benchmark.

- In Law Officers Plan, 25% of RREEF commitment (\$ 243,750 of \$ 975,000) is now invested. For the County Plan and OPEB, CCG approved subscription for Morgan Stanley Prime for \$1.4M and \$3.4M, respectively. Industrial and multi-family apartments continue to do well and they consist of over 50% of the portfolio. The financial commitment to Global Infrastructure position is still 4-6 quarters out.
- We anticipate Bolton recommending a cash amount to be moved from the County Plan to the Public Safety Plan considering the 70 or so Correctional Officers that transitioned to Public Safety Plan on Oct. 1. The dollar amount should be relatively low, since those 70 officers represent under 10% of all active participants. Bolton will communicate the details around the Christmas holidays.
- Bolton has confirmed the ability to perform in-kind security transfers, rather than liquidating a position, going to cash, then buying back the same position in a different DB Plan.

We'll reconvene again sometime in February 2021. Specific date and time TBD.