

Minutes of the Carbon County Retirement Board
Meeting of Thursday, February 18, 2021

The regular meeting of the Carbon County Retirement Board was called to order by Chairman Wayne E. Nothstein. Members present were: Wayne E. Nothstein, Chris L. Lukasevich, Rocky C. Ahner, Ronald J. Sheehan and Mark A. Sverchek.

NOTE: Due to COVID-19 this was a virtual meeting held via Zoom

Chairman Nothstein called the meeting to order and turned it over to Secretary Sverchek.

Mr. Sverchek asked for the approval of the minutes, of the January 21, 2021 meeting.

Mr. Ahner made a motion to approve the minutes, of the January 21, 2021 meeting.

Mr. Lukasevich seconded the motion.

Mr. Sverchek called the roll:

Mr. Sheehan	Yes
Mr. Sverchek	Yes
Mr. Ahner	Yes
Mr. Lukasevich	Yes
Mr. Nothstein	Yes

Guests concerning Retirement Board Business - None

Report of Executive Session – None

Mr. Sheehan made a motion to ratify Warrant #40657 - #40662 and Direct Deposit #7010775 to #7011164 for January 2021.

Mr. Ahner seconded the motion.

Mr. Sverchek called the roll:

Mr. Sheehan	Yes
Mr. Sverchek	Yes
Mr. Ahner	Yes
Mr. Lukasevich	Yes
Mr. Nothstein	Yes

Retirement Activity: January Report:

Superannuation Retirement:	1
Refunds:	2

Mr. Sverchek made mention of the passing of former County Treasurer & Commissioner Dean DeLong. Mr. Sverchek also mentioned the passing of long time County employee Kathy Reihman and expressed the condolences to both their families on behalf of the Retirement Board.

January/2021

Monthly Benefits	\$436,500.35
Option 4	138,762.52
Refunds	<u>2,574.90</u>
Total Disbursement	\$577,837.77

Portfolio Value: 1/31/2021 \$87,677,190

Portfolio Value update (2/12/2021): \$90,617,174 This amount represents a new All-time high for the Fund!

Correspondence: None

Solicitor's Report: None

Investment Manager's/Other Reports:

Marquette Associates- Sarah Wilson

Mrs. Wilson started by stating the economic activity moderated considerably in the fourth quarter, with real GDP increasing by a healthy annual rate of 4.0%. Economists expect growth to slow further in the first quarter given scattered stay-at-home orders throughout the U.S., before accelerating for the remainder of 2021 amid further fiscal stimulus and continued strength in consumer spending, business investment, and housing.

According to Morgan Stanley, households have received about \$1 trillion in government transfers (thanks to the CARES act), which will rise further given the fiscal stimulus passed in December. This has led to a large increase in the personal savings rate and more than \$1 trillion in excess personal savings (compared to the 12-month pre-COVID average), leaving a strong likelihood for pent-up consumer demand to drive the economy once it fully reopens

The U.S Economy amid the recession, businesses cut back on employment and capital spending. Now, the percentage of businesses that are reporting their inventories are too high and at the highest level in the last 20 years. Given that, the prospects for business investment remain strong.

While long-term rates have increased slightly, they remain near historic lows, which could continue to act as a tailwind for some of the more cyclical sectors of the economy, particularly those that rely on debt financing. Housing activity, for instance, will likely remain strong amid low mortgage rates.

Mrs. Wilson gave a brief review of the Global Economy, Global Asset Performance, U.S. Equity Markets and U.S. Fixed Income.

Observations on the fourth quarter of the Carbon County Portfolio:

-The fourth quarter Mrs. Wilson noted the portfolio was right on target and returned 10.0% vs policy index of 10.2% and a return of 12.5%, gaining \$10.3 million for the year.

As of December 31, 2020, the Portfolio value was \$88.7 million. This valuation is the highest so far in 2020 and noticeably exceeds the prior year end value (12/31/19) of \$82.9 million, despite the market turbulence of 2020 due to the Pandemic and the many retirements and rollovers processed in 2020 year to date.

For the fourth quarter;

The Equity Composite returned 15.1 % for the quarter, 15.6 % for the year

U.S. Equity Composite returned 15.0 % for the quarter, 16.5 % for the year

Global Equity Composite returned 14.1 % for the quarter, 15.8 % for the year

Non-U.S. Equity Composite returned 17.1 % for the quarter, 8.5 % for the year

Real Estate Composite returned 1.5 % for the quarter, 1.3 % for the year

Fixed Income Composite returned 1.2 % for the fourth quarter and 8.6 % year

Mrs. Wilson gave an update on the Bank of New York to U.S. Bank Custodian transition, and details as to what will happen when the transition is complete. Stating Marquette will re-adjust some of the managers to keep in line as to where Marquette feels the Market will go in the future, also diversify the Real Estate while adding infrastructure and more Equity. There was a brief discussion on Morgan Prime Property Funds poor performance, giving its advantages, and plans for future diversification of that fund.

Each Board Member received a copy of the report with one on file in the Controller's Office.

Further Business:

Mr. Sverchek addressed the need for the Board to review and possibly update the Mortality Table, which was recommended by Korn Ferry in a previous meeting. Mrs. Wilson said Marquette can get an update on costs of a Mortality Table change from Korn Ferry and incorporate that cost into the asset allocation study to be addressed in a future meeting.

There being no further business Mr. Nothstein adjourned the meeting.



Wayne E. Nothstein, Chairman



Mark A. Sverchek, Secretary