

Minutes of the Carbon County Retirement Board
Meeting of Thursday, February 17, 2022

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, Kevin Zelienka and Mark A. Sverchek.

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 20, 2022 meeting.

Mr. Ahner made a motion to approve the minutes, of the January 20, 2022 meeting.

Mr. Zelienka seconded the motion.

Mr. Sverchek called the roll:

Mr. Zelienka	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. Ahner made a motion to ratify Warrant Check #40764 - #40777 and Direct Deposit #7015504 to #7015904 for January, 2022.

Mr. Nothstein seconded the motion.

Mr. Sverchek called the roll:

Mr. Zelienka	Yes
Mr. Sverchek	Yes
Mr. Ahner	Yes
Mr. Lukasevich	Yes
Mr. Nothstein	Yes

Retirement Activity: January Report:

Superannuation Retirement:	5
Refunds:	7
Deaths:	1

Mr. Sverchek recognized the passing of former Recorder of Deeds, Andrew Snoha and expressed the condolences of the Retirement Board to his family.

January/2022

Monthly Benefits	\$467,826.80
Refunds	<u>38,076.06</u>
Total Disbursement	\$505,902.86

Portfolio Value: 1/31/2022 \$ 93,819,482

Portfolio Value update (2/11/2022) \$ 93,089,599

Correspondence: None

Solicitor's Report: None

Investment Manager's/Other Reports: Marquette Associates- Sarah Wilson

-Mrs. Wilson gave an update on the fourth quarter and began by stating the real GDP increasing by a better-than-expected annual rate of 6.9%. Growth was primarily driven by private inventory accumulation and consumer spending. The former accounted for approximately 70% of real GDP growth. For 2022, a continued increase in inventory investment is expected to be a key driver of economic growth as inventories remain near historic lows relative to sales for many industries. However, the economy is still grappling with persistent supply chain disruptions. Outside the U.S., several countries are re-imposing lockdown measures, most notably in China. This approach may exacerbate supply chain issues, leaving businesses unable to build their respective inventories as economists currently anticipate. Most economists expect inflation to peak in the first quarter. However, supply chain issues may cause inflation to decelerate less quickly than anticipated through the remainder of 2022.

In the U.S. Economy the labor markets continued to tighten amid supply constraints. While December employment report came in below expectations, the unemployment rate dropped to just 3.9%-its lowest level since before the pandemic.

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

Observations on fourth quarter of the Carbon County Portfolio:

The Market Value as of December 31, 2021 was \$98.8 million, which represents an all-time high for the Portfolio. During the fourth quarter the portfolio gained \$5.4 million, with a return of 5.8%, vs the policy index of 5.7%. The portfolio investment gain for 2021 was \$13.7 million, with a return of 15.8% vs the policy index of 15.3%.

Positive attributes for the quarter from: U.S. Equity structure, Outperformance by active Non-U.S. equity manager, value overweight within U.S. small caps, Fixed income structure.

Negative attributes for the quarter from: Underperformance by most active Global equity managers, emerging markets overweight within Non-U.S. equities.

Mr. Sverchek asked if the high year end results in the Portfolio value will have a positive effect for the Actuarial Determined Contribution (ADC) when that is calculated? Mrs. Wilson responded yes, it has a positive effect on the funding.

Mrs. Wilson gave a brief summary on the fourth quarter and the year end, also reviewed some of the changes made to the Portfolio

Looking ahead in January it was noted the Total Fund Composite was down -3.5 vs benchmark of -4.0 , and the Total Equity Composite was down -4.5 vs benchmark of -5.2 . Mrs. Wilson also gave an updated of the changes which were made to the Portfolio as of February 11, 2022.

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

New Business/Old Business: None

Further Business: None

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



Wayne E. Nothstein, Chairman



Mark A. Sverchek, Secretary