

CHATHAM COUNTY PENSION BOARD MINUTES

November 6, 2018

The meeting of the Chatham County Pension Board convened on November 6, 2018 in the Green Room on the 2nd floor of the Chatham County Legislative/Administrative Courthouse at approximately 10:00 a.m. **The following members were present:** Amy Davis, Carolyn Smalls, Leshia Lanier England, Julie Rodgers, Derek Thornton, and Jack Lewis; **Dahab & Associates** - Greg McNeillie; **Also Present:** Michael Kaigler, Linda Cramer, Mindy Ramsey, and Janice Bocook - Clerk.

Item One: Call to Order:

Amy Davis opened the meeting at approximately 10:00 a.m.

Item Two: Introduction of Jack Lewis, Retiree Representative:

Ms. Davis introduced Jack Lewis as the new retiree representative.

Item Three: Approval of Minutes:

Ms. Davis asked if all had a chance to review the minutes from the August 7, 2018 and October 19, 2018 meetings. There having been no comment or questions, Mr. Thornton moved to approve the minutes.

ACTION OF THE BOARD:

Mr. Thornton moved for Board approval of the August 7, 2018 and October 19, 2018, minutes as delivered. Ms. Rodgers seconded the motion and it carried unanimously.

Item Four: Presentation - Matarin - Valerie Malter

Ms. Malter advised Matarin's investment approach is fundamental and quantitative investing. Their four fundamental concepts are business -- good businesses, price -- inexpensive valuations, people -- shareholder-friendly leadership, and catalyst -- drivers for near-term out performance. In other words, good companies managed by capable people that are reasonably priced.

Chatham County's portfolio has had a 10.8% return since its inception. The Russell 2000 Index has had a 14.1% return. They recognize they have underperformed, but they do believe in their process and believe the portfolio will turn around.

Item Five: Presentation - Chatham Capital - Bill Fielitz

Mr. Fielitz advised the company was established in 1996 in Savannah. They have managed small company stocks since 1998. They are 100 percent employee-owned. Their investment strategy is investing in high quality, low volatility stocks and strive to achieve returns ahead of the Russell 2000 Index at a lower level of risk.

Since their inception with Chatham County, they have had a return of 11%; the Russell 2000 return has been 7.8%. The inception value of the portfolio was \$8 million. The value of the portfolio as of September 2018 is no \$12,102,960 million.

The portfolio was down less and recovered faster than the Russell 2000. Industrials hold the biggest weight in the portfolio.

Item Six: Review of September 30, 2018 Financial Reports - Greg McNeillie:

Mr. McNeillie reviewed Matarin and Chatham Capital. Matarin has 200 stocks in its portfolio. They are more diversified and invest quantitatively. Chatham Capital has 40 stocks in it's portfolio. They look for good companies and stick with them. Their self-discipline gets them good results.

The portfolio has had 21.7% returns; the Russell 2000 has had 17% returns. Small cap is overweight and has kept the portfolio up. Small caps outperform over time. The portfolio has had an 11.8% three-year return, which is in the 9th percent in the country.

Large cap domestic equity is the most stable over time. Small and mid cap are overweight and outperform over time. LMCG has been underperforming for three years and may need to be replaced. Mr. McNeillie stated he will give them a couple more quarters but they have to start performing in order to not be replaced.

Euro Pacific; Richmond Capital; Fidelity; and Chatham Capital have all done well.

The OPEB is a passive fund. It is 30% funded currently.

Item Seven: Other Business:

a. 457 Vendors

Mr. Thornton asked if employees were allowed to withdrawal from their 457 in the event of natural disasters.

Ms. Smalls and Ms. Ramsey advised there is a provision for natural disasters and the IRS has a list of hardships which are included in the allowance for withdrawal. Ms. Ramsey advised Empower has the IRS provisions on their website.

b. New 911 Center Employees

Ms. Smalls advised the change to the Pension Plan for the allowance of five years vesting for those 911 employees who have vested with the City prior to the transition, will go before the Board for Second Reading on November 16, 2018. The change will go into effect immediately.

Item Eight: Adjournment

Their being no further business, the meeting adjourned at 11:55 a.m.

Amy Davis
Pension Board Chairperson

Minutes prepared by:
Janice Bocook, Clerk of Commission