

PENSION BOARD REPORT

APRIL 11, 2019

Submitted by:

Wanda Messina, CPPT, Retiree Trustee, Position # 10
E.A. Platt, CPPT, Retiree Trustee, Position # 6
Gary Stiles, Retiree Trustee, Position # 7 (absent from meeting)
Andrew Stephens, CPPT, Active Trustee, Position # 8
Woody Woodall, CPPT, Retiree Trustee, Position # 9

❖ The minutes from March 13, 2019 meeting were ratified

❖ New pension applications were approved for **5** retirees:

Public Works

George Gronoos

Tax Assessors

Rhonda Augustine

Beneficiaries

Betty S. Cooper
Ann Lois E'Dalgo
Davis Singletary

❖ There were no reports from the Elections, Outsourcing and Vendor Contract Committees

❖ John McCarthy was absent from meeting. Wanda Messina chaired Investment Committee Meeting. There were no voting items during this meeting. The Committee heard presentations from two SMID and Small Cap Managers: Atlanta Capital and The London Company. NEPC gave their monthly performance report review. They reported that for the month of March our Plan had a return of 1.2%, which outperformed the Allocation Index and the Policy Index.

❖ John McCarthy is the citizen appointee to the Board and his term expires June 30, 2019. Nominations were requested for this position. John McCarthy was nominated to serve again. No other nominations were presented. John McCarthy will serve in this position for the next 4 years, beginning July 1, 2019.

❖ A Training Committee has been appointed to develop a procedure for handling training of all Board trustees to be in compliance with HB 196. Under this Bill, all trustees will be required to receive and maintain training credits in order to remain on the Board. Newly elected or appointed trustees must complete 8 hours of training within one year. Current appointed or elected trustees must complete 12 hours every 2 years. All of the elected trustees have either already completed their certification or are near completion of their certification (CPPT designation by their name above indicates completion of certification). Andrew Stephens will chair this committee. Sharon Whitmore raised a question about whether this would increase the training budget. Mr. Stephens responded that it is unknown at this time, but an increase would not be expected in the budget this year.

❖ Bryce Riddle Reported there are currently **3,212** retirees. There are currently **242** active employees in the defined benefit plan. Of those waiting to retire, 18 are fully vested.

❖ The Statement of Revenues, Expenses and Change in Fund Balance for the month ending February 28, 2019 was presented. **FUND BALANCE IS \$1,322,634,095.** Contribution for the month of February from the

County was approximately \$11 million. Appreciation on investments was a little over **\$112 million**. Excess of revenue over expenses was a little over **\$98 million**.

- ❖ Our investment return is approximately 1.2% for the month, but is approximately 10.4% year-to-date. Georgia Code requires that a maximum cap in equities of no more than 75%. We are currently at 70.1%, which is in compliance.
- ❖ Chawanis Ash reported on the RSS (Retiree Self Service) System. The system should be ready for use by the end of the month. Approximately 1,900 retirees have provided their email addresses so they can use the system. An email will be sent out to all retirees before the end of the month telling them how to sign on to the system. They will use their employee ID # from their pay stub and will be given a temporary password to use so they can set their own password. The temporary password will expire 30 days after it is issued.
- ❖ Segal Consulting presented the 2019 Actuarial Valuation Review. The recommended County contribution for 2019 is \$64.7 million which is up from their contribution of \$59.7 million for 2018. This \$5 million increase is the result of investment loss during 2018 and the lowering of the assumed rate of return from 7.35% to 7.25%. The number of active plan participants (currently 242) should decrease by 70% over the next 5 years. It is projected that the retiree population participating in the plan will begin to decrease around 2032. The recommended contribution levels for the County contribution should level out around that time, based on the expected rate of return being met as well. By then, all the deferred losses that are being paid under the 2018 Fresh Start Amortization (15-years) will be met. It is expected that the County contribution will flatten out in 2023 and remain at that level until the Fresh Start Amortization is paid off. Full funding level of 100% should be expected around 2036. We are considered well-funded at this time. By lowering the rate of return and being more conservative in expectations, the County is being responsible and in line with what other plans of our size are doing.

❖ Deceased Retirees:

Library

Bertha Campbell
Ronald Dorsey
Mavis Jackson

Beneficiaries

John Grant
Phyllis Moore
Emma Pike
Princess Thornton