

# PENSION BOARD REPORT

MAY 8, 2019

Submitted by:

Wanda Messina, Retiree Trustee, Position # 10  
E.A. Platt, Retiree Trustee, Position # 6  
Gary Stiles, Retiree Trustee, Position # 7  
Andrew Stephens, Active Trustee, Position # 8  
Woody Woodall, Retiree Trustee, Position # 9

❖ The minutes from April 11, 2019 meeting were ratified

❖ New pension applications were approved for **6** retirees:

District Attorney

Kletis Sloan

State Court

Cynthia G. Strong-McCarthy

Tax Commissioner

Leslie Y. Woods

Beneficiaries

Sheila Mae Adcock

Dorothy Dorsey

Diane Saint-Elie

- ❖ Elections Committee Chair Wanda Messina reported that the Elections Procedure should be complete and ready for presentation at the June meeting. There were no reports from the Outsourcing and Vendor Contract Committees. Wanda Messina, Committee Chair for the Outsourcing Committee recommended that this committee be abolished at this time. If there is a need in the future, the Committee can be reestablished. At this time, the Chair and Vice Chair of the Pension Board are having monthly meetings with the Finance Department to work together on resolving administrative issues.
- ❖ The Education Committee Chair Andrew Stephens reported that the committee has completed a draft policy and they plan to have this policy ready for presentation at the June meeting so that it can be in place in time for the effective date of HB 196 which will be July 1, 2019.
- ❖ The Investment Committee Chair John McCarthy reported that the Investment Committee met with two International Equity firms to discuss their performance. The firms were Oakmark International and American Funds. Both firms have reported good year-to-date performance.
- ❖ The Board approved the renewal of the Fiduciary Liability Insurance coverage for the defined benefit plan with Chubb as recommended by Board Counsel Michael Kramer and the Risk Management Division.
- ❖ Bryce Riddle Reported there are currently **3,209** retirees. There are currently **240** 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 \$1,332,468,073.91.** Contribution for the month of March from the

County was approximately \$16.5 million. Appreciation on investments was a little over **\$127.5 million**. Excess of revenue over expenses was a little over **\$107 million**.

- ❖ Our investment return is approximately 18.2% year-to-date. Georgia Code requires that we have a maximum cap in equities of no more than 75%. We are currently at 71.7%, which is in compliance.
- ❖ Chawanis Ash reported on the RSS (Retiree Self Service) System. Of the approximately 2,000 retirees that have provided an email address and been entered into the system, less than 200 have signed on to RSS. The cutoff date before the current password expires will be 5/20/2019. The Pension Office will send out a reminder email letting everyone know when the password will expire, and Wanda Messina and Shon Woodall will forward information to FCREA and FOP requesting they send emails out reminding everyone to sign on. It is anticipated that the County will stop mailing pay advices at some point in the future and they want retirees to be familiar with RSS prior to that happening. After the current password expires, the Pension Office will do another push for retirees to sign up, which will require setting a new password.
- ❖ PJC Group, Certified Public Accountants, the independent auditors for Fulton County, presented their Auditor's Report which comprises the statements of the plan's net position as of December 31, 2018. There was a slight decrease in the net position as a percentage of the total pension liability and this was due to the short-term decline in the market value of the assets due to lowering the assumption percentage. Market conditions had the most significant impact on Plan performance with 4th quarter market losses in 2018. The 1<sup>st</sup> quarter of 2019 has been showing recovery from the losses. Several Board members indicated they would review this audit report and, if necessary, will ask PJC Group to return to a meeting to answer questions.
- ❖ Bryce Riddle presented the Securities Litigation Report. The County has received approximately \$8,000 during the 1<sup>st</sup> quarter of 2019 in recovery from litigation.
- ❖ Pension staff reported that the Board of County Commissioners has approved a raise for defined benefit retirees in plans 1982 and prior. The raise will be 3% or \$10 per month, whichever is greater, and will be effective July 1, 2019.
- ❖ The following retirees were reported as deceased since the last meeting:

**Data Processing:** Joella Tampa

**District Attorney:** Marion Butler

**Police:** Ebb Walker