

PENSION BOARD REPORT

JANUARY 10, 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 December 12, 2018 meeting were ratified
- ❖ Wanda Messina took over as Chair in order for nominations to be heard for the Chair of the Board. No new names were presented. Attorney Kramer indicated a vote would need to take place to continue with current Chair if no new nominations were presented. A motion was made to continue with current Chair and this motion passed. Shon Woodall resumed the meeting to continue as Chair. Wanda Messina was nominated to continue as Vice Chair and this motion passed as well.
- ❖ New pension applications were approved for **10** retirees:

DREAM

Ricky Williams

PUBLIC WORKS

Donald Flowers

Mitchell Johnson

SHERIFF

Nolan B. Ballard

Tcheravia Crosby

Frankie G. Brown

Rosa Truitt

Vicky L. White

JUVENILE COURT

Wilma Espy

TAX ASSESSOR

Cedric Walton

MARSHAL

Brian James

- ❖ The Investment Committee presented a recommendation to terminate Fiera Capital because they have underperformed for the past few years. Most of the managers the Committee is interested in are not accepting new money at this time. Since no managers have not been presented that the Investment Committee felt comfortable with recommending, the Committee concluded the best option at this time would be to transition the assets from Fiera Capital to Atlanta Capital SMID as they have consistently outperformed.
- ❖ A letter was presented which outlined a cost of approximately \$144,226 to provide a cost of living increase to 192 retirees that are under plans prior to 1982. Sharon Whitmore indicated this information will be presented to the Board of County Commissioners since this increase requires their approval. She stated this would be talked about during any discussions that take place regarding the possibility of increases for active employees and she would keep us updated.
- ❖ There were no reports from the Elections, Outsourcing and Vendor Contract Committees.
- ❖ Mr. John McCarthy, Chairman of the Investment Committee, was not present, therefore, Wanda Messina provided a report from the Investment Committee Meeting. Deborah Brigham and Malichi Waterman of Segal reviewed with the Committee the Pension Plan Assumptions for 2019. The Committee recommended, and a

motion was made, for the return assumption rate to be lowered from 7.35% to 7.25%. This reduction was approved by the Pension Board. This reduction will increase the County's contribution for the year by approximately \$1.65 million. The aim of the Committee is to continue to discuss the return assumption rate each year with the idea of lowering this rate to 7%. At this point, we are in line with what other plans that are comparable to us are doing.

- ❖ Bryce Riddle Reported there are currently **3,211** retirees. There are currently **262** 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 eleven months ending November 30, 2018 was presented. **FUND BALANCE IS \$1, 302,484,996.** Total contributions to the plan from employee contributions and Fulton County contributions exceeded \$5 million.
- ❖ The Market Value Estimation Report was presented which shows a year-to-date return of **-5.23%.**
- ❖ Mr. Riddle reported that the Plan's book value on equity assets is at 70.6% which is in compliance with the State requirements that this be no greater than 75%, so we are in compliance with State Law. He also presented a report on the fees charged by the various investment firms we work with and the report shows that the fees charged to the County are about 11 basis points better than the average.
- ❖ Report on deceased retirees was presented. Five retirees or beneficiaries have passed away since our last report.

DFACS

Ruenell Turner

HEALTH

Catherine Chatham

JUVENILE COURT

Robert Williams

MEDICAL EXAMINER

Laura Cameron

POLICE

Nina Chafin

- ❖ A report was given concerning a number of retirees on disability that have not returned their disability certifications, and /or their letters have been returned to the County as invalid addresses. Ms. Hobbs will send a list which shows the departments that each retiree worked in at retirement to Wanda Messina so that she can reach out through the Association to try and find if anyone can give us information on these retirees. In the meantime, the Board voted to stop the next Pension check of the retirees on this list until this matter is resolved.
- ❖ Chawanis Ash reported that the tablets which will be used in order to go to a paperless agenda have arrived and been formatted. There are a few more things that need to be done, but it is hoped they will be available for February meeting.
- ❖ A report was given on the 2018 unresolved overpayments. Litigation is pending in one case. Certified letters have been mailed to attempt to resolve other cases.
- ❖ An Executive Session took place. After this session, a motion was made: "Move approval for Saxena White to file Derivative shareholder lawsuit on behalf of Fulton County's Employees Retirement System and its Board of Trustees against Goldman Sachs." There will be no cost to the County or Pension Fund for this action as Saxena White will bear the cost of the litigation and receive a share from the recovery of any funds in this litigation.

