

**BOARD OF TRUSTEES OF THE CITY OF ATLANTA
GENERAL EMPLOYEES PENSION FUND
MINUTES OF
SPECIAL CALLED
MEETING**

October 17, 2013

A Special Called meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on October 17, 2013 in City Hall, Committee Room 2, and Atlanta, GA.

TRUSTEES PRESENT:

Alfred Berry, Jr.
Gregory Nash
Aretha Sumbry-Powers
Jim Beard

Douglas Strachan
Angela Green
Yvonne Cowser Yancy

TRUSTEES NOT PRESENT: Yolanda Johnson

OTHERS:

Kristen Denius City Law Department; Ray Adams, Office of Retirement Services; Wendell Bryant, Procurement Department

Mr. Berry called the meeting to order at 10:00 A.M. There was a quorum.

Mr. Berry distributed the Agenda for review.

MOTION: A motion was made and seconded to adopt the Agenda as presented. The motion passed.

Transition of the Jennison Portfolio

Mr. Beard summarized the chronology of events relating to the Jennison Associates portfolio transition by noting that Jennison had expressed in writing their intention to terminate the management agreement with the General Employees' Pension Fund in July 2013. The board determined that the best course of action was to identify an interim manager to provide a passive Small Cap strategy for the \$100+ portfolio until a permanent active manager search could be conducted. Mr. Beard and his Finance staff had been charged with the task of contacting possible providers, obtaining quotes from each and evaluating those proposals.

Five vendors were contacted and submitted proposals: Northern Trust, State Street, Vanguard, BlackRock and Rhumblin. Management fees ranged from a low of 1.5 basis points (bps) (BlackRock) to 6 bps.

The Finance staff and Mr. Beard recommended hiring BlackRock as the interim manager.

The Finance staff also obtained competing quotes for portfolio transition services from ConvergEx, the Plan's designated transition broker, and from the investment managers themselves. ConvergEx quoted

a fee of \$31,500 which was substantially less than the others that ranged from Northern Trust at \$66,000 to State Street of \$144,000.

The Finance Staff and Mr. Beard recommended engaging ConvergeX to handle transition management services.

Mr. Beard responded to questions from Mr. Strachan to clarify the meaning of the dollar denominated fee and the basis points and also an explanation of the “all-in” cost.

MOTION: A motion was made and seconded to hire BlackRock to manage the assets being transitioned out of the Jennison Associates investment portfolio and into the iShares Russell 2000 Index EFT and to have ConvergeX handle the transition of the assets. The motion passed.

Forensic Audit of GrayCo Core Alts II

Mr. Beard reported that Finance had sent out a scope of work summary to several accounting firms to perform an audit of the GrayCo Core Alts II investment. The firms all had responded as of the prior day at 2:00 pm which did not leave sufficient time to review the proposals in detail. However, the bids ranged from a high of \$75,000 to a low of \$20,000.

Mr. Beard thought that another Special Called meeting may be needed to review the bids. Mr. Strachan asked if the proposals could be copied and distributed so that the board could take a look at them now instead of having to hold another Special Called meeting. All members agreed.

All three boards: General, Police and Fire, had voted to have the audit performed and have indicated a willingness to share the costs and to accept the choice of firm made by the General Pension Fund board.

Proposals from four firms were copied and distributed to the board: Conway McKenzie, Glass Ratner, P2E Consulting, and KPMG. Mr. Beard summarized certain pertinent aspects of each proposal. Conway McKenzie quoted only on phase one of the project and provided no upper limit or a “not-to-exceed” dollar amount. Glass Ratner offered what appeared to be competitive hourly rates and a not-to-exceed dollar limit of \$20,000. Mr. Beard noted that Glass Ratner had a local office and had done some work for the City before. KPMG, the City’s independent auditor, was the most expensive with a not-to-exceed dollar limit of \$75,000 plus out of pocket expenses. It was noted that the City Audit Department expressed a preference that KPMG not be hired for this assignment. Ms. Green mentioned that she had seen a report that P2E Consulting was in the midst of some type of dispute with the City of Detroit. Ms. Yancy concurred that this negative press should be a disqualification from consideration.

Mr. Berry and Ms. Green asked about another firm (whose name could not be recalled) who was supposed to have responded. Mr. Beard said that he did not get anything back from any other firms and that these were the only responses that he had received.

Mr. Beard asked if the board wanted to wait to review the proposals in more detail and hear presentations from finalists at the next board meeting and then make a final decision, or did they prefer to move forward immediately based on the proposals in hand. Mr. Berry and Mr. Strachan were inclined to move forward now since time was of the essence. They would like to hear from the firm that is chosen at the next board meeting. Mr. Berry agreed and said he was ready for a motion to be made.

MOTION: A motion was made and seconded to engage Glass Ratner to perform an audit of the GrayCo Core Alts II LLC investment and to request that the firm appear at the next board meeting. The motion passed.

Review Protocols for Review of the RFP Responses for Investment Consulting Services

Ms. Denius addressed the board by referring to the Resolution adopted at the last meeting in which certain RFP Review protocols were adopted. Ms. Denius distributed a revised Ethics Form that was specific to the RFP process and to the General Pension Fund board. The package included a bid tabulation sheet to be used for scoring with the names of all the bidders to enable board members to identify possible conflicts of interest.

Ms. Denius and Mr. Bryant reviewed several of the bidder names and responded to clarifying questions from several board members. Each board member present reviewed and signed the Ethics Form.

A meeting date of Tuesday, November 5, 2013 was set for the RFP Review meeting.

Wendell Bryant reviewed the rating system and score sheet contained in the Proposal Review package. Each section has an assigned weight and the evaluator were asked to score each section on a scale of 1-10 based on their assessment of the quality and completeness of the responses. Mr. Bryant pointed out that the references would need to be checked of any of the bidders who were selected as finalists and being asked to make oral presentations. Ms. Denius reminded evaluators that any notes and written comments on the score sheets or on other materials will become a matter of public record once the selection process is complete. The purpose of the process is to ensure complete transparency and accountability.

There being no further business to be discussed, the meeting was adjourned at approximately 11:00 AM.

Respectfully submitted:


Alfred Berry, Jr. Chairman



~~Jim Beard, CFO & Secretary~~
Aretha Sumbry Powers, Vice Chair

* PREPARED OCTOBER 2013. REVIEWED, RATIFIED - to the best of Board MEMBERS PRESENT RECOLLECTION - and SIGNED August 2, 2017.

Board members present August 2, 2017:

- Angela GREEN
- DR. Gregory NASH
- JASON ESTEVES (NOT ON BOARD OCTOBER 2013)
- DOUGLAS STRACHAN
- ARETHA SUMBRY POWERS
- GINA PAGNOTA-MURPHY (NOT ON BOARD OCTOBER 2013)
- JIM BEARD