

**BOARD OF TRUSTEES OF THE CITY OF ATLANTA
DEFINED BENEFIT INVESTMENT BOARD
MINUTES OF MEETING
May 18, 2018**

A meeting of the Board of Trustees of the City of Atlanta Defined Benefit Investment Board was held on May 18, 2018 in City Hall, Council Chambers, Atlanta GA.

PRESENT:

Frank Sims	Richard Cox
John Gaffney	Sherri Dickerson
Reggie Grant	Marci Collier Overstreet
JP Matzigkeit	Joyce Shepard
Ray Adams	Louis Amos
Kristen Denius	Robin Shahar

Not present: Natalya Archibong, Howard Shook

I. CALL TO ORDER

Chairman Frank Sims called the meeting to order at 3:11 P.M by indicating that there was a quorum present.

II. INTRODUCTION

Chairman Sims introduced himself to the Board of Trustees on behalf of the Defined Benefit Investment Board as its official Chairman. All individuals on the dais introduced themselves. This introduction included their respective titles and/or representation with respect to their role on the Investment Board.

III. DUTIES OF THE BOARD

Ms. Sherri Dickerson acknowledged that the duties of this Board are to:

1. Implement the provisions of the City of Atlanta three pension plans and make all of the rulings necessary for this purpose
2. Invest the asset of all three pension plans
3. Ensure that investments are accounted for separately
4. Retain Investment Consultants and Third Party Administrators to assist with Boards responsibilities
5. Authority to create five Administrative Committees authorized to conduct business on behalf of the Investment Board:
 - a. General/APS, Police, Fire, Governance and Audit
6. Make all investment allocation decisions for all three pension plans

IV. INVESTMENT BOARD ELECTED POSITIONS

Mr. Amos provided the Board with updates on the elected board. He advised the board that the city has been working in conjunction with Ms. Harris from Zenith to complete the election process. Ms. Harris informed the Board that the election notices had been mailed to the entire Active and Retired employees of the City of Atlanta as of May 11, 2018. The qualifying period is in July and the election should be concluded by August 2018 after the ballots have been counted to determine the winners of each seat on the Board. As a response to Chairman Sims inquiry about the composition of the Board, Ms. Dickerson advised him that the Mayor had appointed the 4 previously retired trustees (Dr. Nash, Angela Green, Anthony Biello and John McNeil) to act as Interim Trustees until the election had concluded. Mr. Amos indicated that the Board should be fully functioning with both elected and appointed officials by the next time the Investment Board may be scheduling a meeting.

V. ITEMS FOR DISCUSSION

a. 3 Pension Administration Committees

In accordance with page 4 Sec. 6-141 (d) (1) of approved Ordinance 17-O-1589, entitled Board of trustees; constituted, membership, duties – *Administration Committee*. ***A motion was made by Ms. Dickerson to create/establish three (3) committees (General/APS, Fire and Police) to manage the administrative duties, including the selection of a third party administrator, and make all pension award decisions for each of the three separate pension plans. This motion was seconded by Mr. Gaffney and the motion carried with unanimous decision.***

b. Governance and Audit Committees

Ms. Shepard addressed the Board regarding the make-up and purpose for the Governance and Audit Committees prior to voting on creation and establishment of both Committees. Ms. Dickerson informed the Board that copies of the legislation would be provided to them all for reference purposes and copies were distributed for review prior to motioning this agenda item.

Ms. Dickerson advised that the Governance Committee would be comprised of the Chair of the Investment Board, three appointed or selected members from the Administration Committees, HR Commissioner or designee. As well Ms. Denius indicated that the purpose of this committee was to implement the qualification requirements for the Investment Board inclusive of reviewing and addressing conflicts of interest and compliance issues related to trustees and investment managers.

Ms. Dickerson also noted that the Audit Committee would be made up of Chair of the Investment Board, three elected members from the combined Administration Committees and the Chief Financial Officer or designee. As well Ms. Denius indicated that the purpose of this committee was to oversee audits of the three pension plans and review the financial statements for each pension plan.

Mr. Cox inquired on the overall meetings and bylaws/charter for each Committee. Chairman Sims asked that Charters be created for each of the respective Committees that are to be established. ***A motion was made by Mr. Cox and this motion was seconded by Mr. Grant. The motion carried with unanimous decision.***

In accordance with page 5 Sec. 6-141 (d) (2) of approved Ordinance 17-O-1589, entitled Board of trustees; constituted, membership, duties – *Governance Committee*. ***A motion was made by Mr.***

Cox to create/establish the Governance Committee. This motion was seconded by Ms. Dickerson and the motion carried with unanimous decision.

In accordance with page 5 Sec. 6-141 (d) (3) of approved Ordinance 17-O-1589, entitled Board of trustees; constituted, membership, duties - *Audit Committee. A motion was made by Ms. Dickerson to create/establish the Audit Committee This motion was seconded by Mr. Gaffney and the motion carried with unanimous decision.*

c. Bylaws for Consideration and Adoption

A motion was made by Ms. Dickerson to allow City Law Department to draft the Investment Board bylaws with an option for approval. This motion was seconded by Mr. Cox and this motion carried with unanimous decision.

VI. PENSION AWARDS

a. Provisional Pension Awards

Zenith American Solutions has been instructed to, at the conclusion of the approved Ordinance, to pay all pension and benefits using customary and acceptable methods. It was noted that the monthly pensions for approval have been calculated in accordance with the Plan Provisions and applicable member service, work history and indicative data and all have been paid timely. Ms. Harris noted that the customary Disability Applications *could not* be paid on a provisional basis and this was the form of benefit payment that must have a board approval before payment could be rendered.

Ms. Harris instructed the Board on the monthly ongoing process for pension benefit administration from start to finish. Ms. Harris informed the Board of Trustees that since the original Boards had not met from any plan since February 2018 there are three months of pension approvals that have been paid on a provisional basis that will have to be ratified and approved by the Board.

An application for a Disability Pension for Anthony Swanson was handed out to the Board to review in order to determine if a formal approval could be granted retroactively for April 2018. Ms. Harris advised the Board that this pension was calculated as standard and received a recommendation of 'approved' by the Pension Department. Following a brief discussion and explanation of the approval process by Ms. Denius on this matter *a motion was made by Ms. Dickerson to award the Disability Pension Benefit calculated to Mr. Swanson. This motion was seconded by Mr. Gaffney and the motion carried with unanimous decision.*

b. Special Called Meeting

Following a discussion about the Provisional Pension Awards, Ms. Denius made a recommendation on behalf of the City Law Department for a Special Called Meeting for this Board to ratify the pensions for approval. Mr. Amos was asked to coordinate with Ms. Harris in order to accommodate this request. *A motion was made by Ms. Dickerson to allow the Board to set a date for a Special Called Meeting to address the ratified pension applications requiring approval. This motion was seconded by Mr. Gaffney and the motion passed with unanimous decision.*

c. Protocol for Future Provisional Pension Awards

It was agreed that until the actual Administrative Committees have been established formally the Investment Board would have the authority to approve pensions pending a scheduled Special Called Meeting and conclusion of the elections for the Administrative Committee Trustees.

VII. PENSION RELATED SERVICE PROVIDERS

Ms. Harris informed the Board that she was asked to gather all of the contract agreements from the various Fund Professionals on all three of the Pension Plans. She stated that she was able to receive several however the request had not yet been completed. The Board requested an updated to be provided during the next scheduled meeting. Ms. Shahar indicated that the City of Atlanta would have to make decisions on which providers to retain and which to let go.

Ms. Shahar informed the Board that no payments should be made to any attorney's representing any of the former Board of Trustees for their respective Plans. Ms. Harris confirmed that as instructed Zenith had not made any payments to any attorney for service rendered after February 13, 2018. And in fact there was an outstanding invoice for Morris Manning that still required review by City Law prior to Zenith releasing any payment since there were services billed for after the Ordinance passed. Ms. Denius requested a follow up email be sent to her in order for City Law to review the charges and provide direction to Zenith about providing payment accordingly.

It was discussed and agreed upon that all other service providers would be paid for services rendered on behalf of the pension plans.

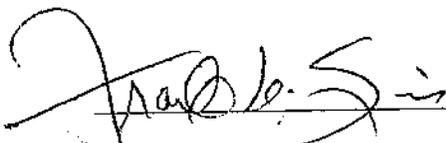
VIII. INVESTMENT ADVISOR DETERMINATION

Mr. Gaffney informed the Board that Callan Investments had submitted their termination notice and their last day on the plan is effective June 30, 2018. Mr. Gaffney expressed his desire to pursue Callan in order to extend or retain their services as Investment Advisor for the Plan beyond this termination date. Discussion was had about the quality of potential candidates and the fact that the City would ultimately seek to review providers with the ultimate goal of finding the best advisor is chosen. Ms. Harris advised the Board that there was an active RFP for this role on the plan and candidates had come to City Hall for in person presentations. Mr. Gaffney requested updates on this information to assist with the candidate search process.

IX. MEETING SCHEDULE

It was determined that once the Special Called Meeting to ratify pensions was had further context could be reviewed for ongoing meeting timing and scheduling for both the Investment Board and the ongoing Administrative Committees.

Respectfully submitted:



Frank Sims, Chair



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Richard Cox, Vice Chairman

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