

**CITY OF ATLANTA PENSION INVESTMENT BOARD  
SPECIAL CALLED MEETING**

**September 27, 2018  
City Council Chambers – City Hall  
1:00 P.M. – 3:00 P.M.**

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**BOARD MEMBERS PRESENT**

<b>FRANK SIMS</b>	<b>Chairman</b>
<b>ROOSEVELT COUNCIL</b>	<b>CFO, City of Atlanta</b>
<b>MARIAN Y. WOODS</b>	<b>HR Commissioner, City of Atlanta</b>
<b>MARCI COLLIER OVERSTREET</b>	<b>City Councilmember</b>
<b>NATLYN ARCHIBONG</b>	<b>City Councilmember</b>
<b>REGGIE GRANT</b>	<b>Appointee, City of Atlanta</b>
<b>LISA BRACKEN</b>	<b>APS, City of Atlanta</b>
<b>RICHARD LIGHT</b>	<b>Police, City of Atlanta</b>
<b>DEREK BRENT HULLENDER</b>	<b>Fire, City of Atlanta</b>

Board Members not present: Richard Cox, Joyee Shepard, Howard Shook, JP Matzigkeit, Dr. Gregory Nash, Angela Green

**OTHERS PRESENT**

<b>PATRICIA D. HARRIS</b>	<b>Zenith American Solutions</b>
<b>KRISTEN DENIUS</b>	<b>Department of Law, City of Atlanta</b>
<b>KAREN SUTTON</b>	<b>Finance, City of Atlanta</b>
<b>BERYL TAYLOR</b>	<b>Finance, City of Atlanta</b>
<b>JOSEPH MILLER</b>	<b>Finance, City of Atlanta</b>
<b>PAMELA GOINES</b>	<b>Finance, City of Atlanta</b>
<b>OLA AKAGE</b>	<b>Finance, City of Atlanta</b>
<b>DELISHA ROBINSON</b>	<b>Finance, City of Atlanta</b>
<b>SHERRI DICKERSON</b>	<b>HR, City of Atlanta</b>
<b>WENDY BROWN</b>	<b>Pension, City of Atlanta</b>
<b>LEIGHTON O'SULLIVAN</b>	<b>Controller's Office, City of Atlanta</b>
<b>FORIS WEBB III</b>	<b>OMC/Council</b>
<b>BRAD LYONS</b>	<b>Consequent Capital Management</b>
<b>CYRIL THECCANAT</b>	<b>Consequent Capital Management</b>
<b>BRIAN SMITH</b>	<b>Callan LLC</b>
<b>CHUCK CARR</b>	<b>Southern Actuarial</b>
<b>DOUG STRACHAN</b>	<b>Member, City of Atlanta General</b>
<b>BILL BOYD</b>	<b>Police, City of Atlanta</b>
<b>JOHN JACKSON</b>	
<b>JOE MORRIS III</b>	

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**I. CALL TO ORDER**

Chairman Mr. Frank Sims called the meeting to order at 1:20 p.m. in City Council Chambers at City Hall in Atlanta, Georgia. Chairman Sims indicated that a quorum was present for the meeting.

**II. ADOPTION OF THE AGENDA**

The Agenda was accepted as presented with no changes or modifications.

**III. PUBLIC COMMENTS**

Mr. Doug Strachan addressed the Board of Trustees about his concerns over the election for which he is a candidate for the General Employees' Pension Plan. Mr. Strachan questioned the process for which he noted had been flawed in nature from the receipt of ballots to the timing in which individuals were given notice to cast their votes.

Mr. Louis Amos from the City of Atlanta Pension Department spoke to this matter with regard to the timing and expectations for the method and manner of providing and accepting ballots to cast votes. Mr. Amos noted that the ballots have been numbered to avoid replication and/or errors with tracking noting one member one vote as the theme. Mr. Amos also pointed out that the window for the election had officially started yesterday on September 26, 2018 and would conclude on October 10, 2018.

As a response, Mr. Strachan noted that in the past there had been several instances of concern that ballots had not been received in a timely fashion in order for votes to be cast. Despite the election being cancelled and redone on two occasions. Mr. Amos confirmed with the Chairman after his inquiry on this matter that the ballots had been mailed from a local vendor and as such he did not anticipate any concerns related to timing of receipt and/or response from the existing population that had not changed at any time during the overall function.

Mr. Louis Amos continued his message by stating that the General Employees' and Atlanta Public Schools Representative Elections information was provided on page 52-55 of the meeting packet. As noted, Mr. Amos stated that the elections were slated to run from September 26 – October 10, 2018. As well, he informed the Board that the election representatives would be sworn in prior to the next Board Meeting in order to carry out their responsibilities on behalf of the General Employees' and Atlanta Public Schools Pension Plans.

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**IV. MINUTES OF THE PREVIOUS MEETING**

The Trustees reviewed the Minutes of the July 13, 2018 Board meeting, which were distributed in advance. With the agreement on the Minutes, a *motion was made by Mr. Grant to approve the Minutes as presented and the motion was seconded by Ms. Overstreet. The motion unanimously carried and the Minutes were approved.*

**V. ADMINISTRATIVE MANAGER'S REPORT**

**Pension Applications**

Ms. Patricia D. Harris of Zenith American Solutions (ZAS) reviewed with the Trustees Pension Applications to be ratified for approval effective June, July and August 2018 and the current Pension Applications for approval for September 2018.

Following complete review of the June, July and August 2018 ratified Pension Applications as well as the current Pension Applications for September the following motions were made for approval:

*A motion was made by Mr. Light and seconded by Ms. Overstreet to approve the June, July, August and September 2018 Pensions for the General and APS Pension Plans as presented. This motion passed unanimously.*

*A motion was made by Mr. Hullender and seconded by Ms. Archibong to approve the June, July, August and September 2018 Pensions for the Firefighters' Pension Plan as presented. This motion passed unanimously.*

*A motion was made by Mr. Light and seconded by Mr. Grant to approve the June, July, August and September 2018 Pensions for the Police Officers Pension Plan as presented. This motion passed unanimously.*

**Disability Applications**

Ms. Patricia D. Harris of Zenith American Solutions presented the Board with two disability applications Stanley Williams and Jeffery Page. Handouts were distributed to each trustee detailing the medical condition of each applicant.

*A motion was made by Mr. Grant and seconded by Ms. Woods to approve the Disability Application for Jesse J. Thornhill, Gregory Reynolds and Marvin T. Oglesby as presented. This motion passed unanimously*

*At 1:40 p.m. a motion was made by Mr. Hullender and seconded by Mr. Grant to break for Executive Session to discuss the disability application for Mr. Kelvin Treadwell as presented. This motion passed unanimously and the Board exited the room.*

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*At 1:52 p.m. a motion was made by Mr. Grant and seconded by Ms. Overstreet to return from Executive Session and continue with the normal order of business. This motion passed unanimously and the Board Meeting reconvened.*

*A motion was made by Ms. Archibong and seconded by Mr. Grant to Deny the Disability Application for Kelvin Treadwell as presented. This motion passed unanimously.*

Ms. Overstreet wanted to provide clarification to the Board and respective Audience members in attendance that the agreed upon denial was based on the relevant and specific information provided on the application as it related to the provisions of a Disability Benefit Award in accordance with the Pension Plan itself and not the Boards opinions or respective individual perspectives of a denial.

**VI. ATTORNEY'S REPORT**

**COA Pension Investment Board Bylaws**

Ms. Denius noted that this item will be discussed under Old Business during the next Board Meeting. This would allow the newly elected representative's time to review the draft Bylaws and provide any questions, comments and/or concerns that they may have. Ms. Harris was instructed to email those draft Bylaws to Mr. Hullender and Mr. Light as warranted for their review.

**Potential Action for Atlanta – Sinclair Broadcast Group**

Ms. Denius advised the Board that there was a matter of potential litigation for the Fire and Police Plans that had been provided by the Security Monitoring Company Saxena White. Ms. Harris informed the Board that this information could be found on page 43 of the meeting packet.

There was a robust discussion on this matter that focused on the benefits of the Fire and Police Plans taking Lead Plaintiff. Mr. Doug Strachan provided his perspective on such action related to his time as Chairman of the General Employees' Pension Plan which the Board found insightful. Mr. Strachan spoke about the overall cost associated with the Plan taking on Lead Plaintiff status compared to the relative amount recovered from the claim. As well, Ms. Denius also expounded on her Legal perspective for the same aforementioned cost factors relative to the benefits or lack thereof.

Mr. Hullender informed the Board that while he was Chairman of the Firefighters' Pension Plan the Board had set a threshold value of loss of \$1M in order to determine if Lead Plaintiff. Ms. Denius followed up by noting that the City of Atlanta suffered largest lost as noted from the email in packet was a combined \$815,000.00 between

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the Fire and Police Plans. Both Mr. Light and Mr. Hullender agreed that this would be an opportunity worth taking action on as Lead Plaintiff on behalf of their respective representation of the Police and Fire Pension Plans.

Following this discussion, a *motion was made by Mr. Council to provide Saxena White direction for the Firefighter and Police Officers' Pension Plans to move with the necessary steps to take action as Lead Plaintiff in the matter of Sinclair Broadcast Group. This motion was seconded by Mr. Grant and the motion passed with unanimous decision.*

**VII. NEW BUSINESS**

**Installation of Elected Police and Fire Pension Board Representatives**

Ms. Harris advised the Board that the elections had ended for both the Firefighter and Police Officer Representatives for the Pension Investment Board and both Mr. Hullender and Mr. Light were present today. Mr. Amos also informed the Board that both individuals had been sworn in earlier today to act in their elected capacity for the Board.

In addition to the election results provided by Ms. Harris in the meeting packet Mr. Derek 'Brent' Hullender informed the Board that he was previously the Chairman of the Firefighters' Pension Board while having served for 5 years prior to this position. Mr. Hullender also informed the Board that he holds the rank of Captain as a City of Atlanta Firefighter. In the same regard, Mr. Richard 'Bud' Light informed the Board that he was previously the Co-Chairman of the Police Officers' Pension Board while having served over 10 years prior to this position. Mr. Light also informed the Board that his a Retired Police Officer with the City of Atlanta Police.

**Trustee Conference Expense Reimbursement Policy**

Mr. Hullender addressed the Board in regards to the email provided in the meeting packet on page 48 with reference to Trustee Expenses and Reimbursements for attendance at Educational Seminars. Mr. Hullender noted that this matter would have been addressed within the Bylaws of the Board as previously noted with the former existing entities. Mr. Hullender engaged the Board in a discussion about the

importance of the Trustees in obtaining Educational Certifications as it related to their function and fiduciary responsibilities on the Pension Investment Board. Having already attended the GAPPT (Georgia Association of Public Pension Plan Trustees) conference in September 2018, Mr. Hullender noted that he had did not want his certification to lapse and as such has incurred expenses from this training conference.

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It was agreed that Human Resources would review the reimbursement policy to make sure that this sort of expense is covered and accounted for, for Trustee Business.

Following a general discussion on the significance of Trustee Training a *motion was made by Mr. Sims to approve reasonable Trustee expenses for attending Training Conference retroactive to September 2018. This motion was seconded by Mr. Grant and this motion passed with unanimous decision.*

**Defined Benefit Valuation Report**

Mr. Chuck Carr of Southern Actuarial addressed the Board on behalf of the Firefighter and Police Officer Pension Plans. Mr. Carr spoke in depth about the function, details and parameters of the Annual Valuation relative to the Funding Liability of the Plans inclusive of its meaning an overall purpose. As well Mr. Carr informed the Board of the recommended changes to the manner and method of assumptions and/or interest rates applicable for determining the recommended contribution.

Mr. Carr provided the Board with the below final Valuation results for July 1, 2017 and stated that these numbers would be valid for FYE 2019 since there is a one year lag with this process.

City of Atlanta Firefighters' Pension Fund

*Final Valuation Results as of July 1, 2017*

	July 1, 2016 <u>Valuation Results</u>	July 1, 2017 <u>Old Assumptions</u>	July 1, 2017 <u>New Mortality</u>
Entry age normal accrued liability	\$852,337,072	\$877,907,962	\$895,748,745
Actuarial value of assets	<u>(\$612,637,000)</u>	<u>(\$669,508,000)</u>	<u>(\$669,508,000)</u>
Unfunded accrued liability	<u>\$239,700,072</u>	<u>\$208,399,962</u>	<u>\$226,240,745</u>
Funded percentage	71.88%	76.26%	74.74%
Entry age normal cost	\$11,413,920	\$11,232,415	\$11,655,496
Unfunded accrued liability payment	\$13,865,272	\$12,378,272	\$13,437,956
Expense allowance	\$448,177	\$469,510	\$469,619
Expected employee contribution	(\$5,015,098)	(\$5,089,184)	(\$5,090,671)
Interest adjustment	<u>\$1,169,799</u>	<u>\$549,719</u>	<u>\$721,592</u>
<b>Preliminary employer contribution</b> <i>(for the second year following the valuation date)</i>	<b>\$21,882,070</b>	<b>\$19,540,732</b>	<b>\$21,193,992</b>
<b>Minimum required contribution rate</b> <i>(for the second year following the valuation date) (FY2018)</i>	<b>46.95%</b>	<b>40.02%</b> <i>(FY2019)</i>	<b>43.39%</b> <i>(FY2019)</i>

- The new mortality assumption is the RP-2000 Blue Collar Mortality Table with full generational projections using Scale AA
- Old Assumptions (No Change to Mortality or the Assumed Discount Rate)

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City of Atlanta Police Officers' Pension Fund

**Final Valuation Results as of July 1, 2017**

	July 1, 2016 <u>Valuation Results</u>	July 1, 2017 <u>Old Assumptions</u>	July 1, 2017 <u>New Mortality</u>
Entry age normal accrued liability	\$1,300,184,303	\$1,338,379,168	\$1,365,388,871
Actuarial value of assets	<u>(\$950,415,000)</u>	<u>(\$1,051,671,000)</u>	<u>(\$1,051,671,000)</u>
Unfunded accrued liability	<u>\$349,769,303</u>	<u>\$286,708,168</u>	<u>\$313,717,871</u>
Funded percentage	73.10%	78.58%	77.02%
Entry age normal cost	\$21,968,370	\$20,115,094	\$20,740,524
Unfunded accrued liability payment	\$20,232,144	\$17,029,522	\$18,633,810
Expense allowance	\$709,899	\$681,969	\$682,107
Expected employee contribution	(\$10,478,107)	(\$9,942,728)	(\$9,949,669)
Interest adjustment	<u>\$1,743,893</u>	<u>\$866,851</u>	<u>\$1,124,758</u>
<b>Preliminary employer contribution</b> <i>(for the second year following the valuation date)</i>	<b>\$34,176,199</b>	<b>\$28,750,708</b>	<b>\$31,231,530</b>
<b>Minimum required contribution rate</b> <i>(for the second year following the valuation date) (FY2018)</i>	<b>34.72%</b>	<b>30.40%</b> <i>(FY2019)</i>	<b>33.02%</b> <i>(FY2019)</i>

- The new mortality assumption is the RP-2000 Blue Collar Mortality Table with full generational projections using Scale AA
- Old Assumptions (No Change to Mortality or the Assumed Discount Rate)

Following the discussion on applicable changes and the minimum contribution rate as discussed by Mr. Carr, the following motions were made:

***A motion was made by Mr. Hullender to approve the Firefighters' Valuation as final. This motion was seconded by Mr. Council and this motion carried with unanimously decision.***

***A motion was made by Mr. Light to approve the Police Officers' Valuation as final. This motion was seconded by Ms. Overstreet and this motion carried with unanimously decision***

Ms. Janette Cooper of Segal Actuarial addressed the Board on behalf of the General Employees' and Atlanta Public Schools Pension Plans. Ms. Cooper also spoke in depth about the function, details and parameters of the Annual Valuation relative to the Funding Liability of the Plans inclusive of its meaning an overall purpose for the respective plans aforementioned. As well Ms. Cooper informed the Board of the recommended changes to the manner and method of assumptions and/or interest rates applicable for determining the recommended contribution.

Ms. Cooper provided the Board with the below final Valuation results for July 1, 2017 and stated that these numbers would be valid for FYE 2019 since there is a one year lag with this process.

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**General Employees' Pension Plan**

	2018		2017	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
1. Total normal cost	\$22,116,877	12.79%	\$19,756,319	11.54%
2. Administrative expenses	1,200,000	0.69%	0	0.00%
3. Expected employee contributions	<u>-18,091,163</u>	<u>-10.46%</u>	<u>-18,228,401</u>	<u>-10.65%</u>
4. Employer normal cost: (1) + (2) - (3)	\$5,225,714	3.02%	\$1,527,918	0.89%
5. Actuarial accrued liability	1,809,361,440		1,898,995,163	
6. Actuarial value of assets	1,212,852,870		1,146,863,597	
7. Unfunded actuarial accrued liability: (5) - (6)	596,508,570		752,131,566	
8. Payment on unfunded actuarial accrued liability	39,042,767	22.57%	46,838,935	27.37%
9. Adjustment for timing*	<u>2,952,010</u>	<u>1.71%</u>	<u>3,536,141</u>	<u>2.07%</u>
10. Total recommended contribution: (4) + (8) + (9)	<u>\$47,220,491</u>	<u>27.30%</u>	<u>\$51,902,994</u>	<u>30.33%</u>
11. Projected payroll	\$172,939,918		\$171,106,545	

- Actuarially determined contributions are assumed to be paid at the middle of every year.

For the year ending June 30, 2017, the market value of assets earned 13.7%. For the prior year, the market return was 0.5%. The chart below shows audited cash flows of the Plan between July 1, 2016 and June 30, 2017. The net cash flows of \$106.6 million resulted in the market value of assets increasing from \$1,122.8 million at July 1, 2016 to \$1,229.4 million at July 1, 2017.

**Atlanta Public Schools**

	2018	2017
	Amount	Amount
1. Total normal cost	\$3,448,166	\$4,425,332
2. Administrative expenses	200,000	0
3. Expected employee contributions	<u>-1,546,446</u>	<u>-1,655,343</u>
4. Employer normal cost: (1) + (2) - (3)	\$2,101,720	\$2,769,989
5. Actuarial accrued liability	536,516,090	597,088,697
6. Actuarial value of assets	137,889,959	128,256,838
7. Unfunded actuarial accrued liability: (5) - (6)	\$398,626,131	\$468,831,859
8. Payment on unfunded actuarial accrued liability	49,553,679	47,327,081
9. Adjustment for timing*	<u>3,444,601</u>	<u>3,402,930</u>
10. Total recommended contribution: (4) + (8) + (9)	<u>\$55,100,000</u>	<u>\$53,500,000</u>

- Actuarially determined contributions are assumed to be paid at the middle of every year.

For the year ending June 30, 2017, the market value of assets earned 13.4%. For the prior year, the market return was 0.4%. The chart below shows audited cash flows of the Plan between July 1, 2016 and June 30, 2017. The net cash flows of \$15.5 million

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resulted in the market value of assets increasing from \$123.9 million at July 1, 2016 to \$139.4 million at July 1, 2017.

Following the discussion on applicable changes and the minimum contribution rate as discussed by Mr. Cooper, the following motions were made:

*A motion was made by Mr. Grant to approve the General Employees' Valuation as final. This motion was seconded by Mr. Hullender and this motion carried with unanimously decision.*

*A motion was made by Ms. Bracken to approve the Atlanta Public Schools' Valuation as final. This motion was seconded by Ms. Wood and this motion carried with unanimously decision*

Following this presentation Ms. Cooper inquired with the Board if they would like Segal Actuarial to continue to produce the Valuation Summary as they have done in

prior years and the Board agreed with consensus that this should continue to be provided as customary.

Mr. Strachan approached the Board stating he was pleased with the order of business and he felt not only gratified but reassured that the Board was progressing from what he witnessed today. Mr. Strachan went on to suggest to the Board that information presented today and other relevant material could be posted on the [AtlantaGa.Gov](http://AtlantaGa.Gov) website. He noted that the site had not been updated in a while however Joshua Spruiel is poised and ready to assist in getting things published. Mr. Strachan noted that this website could be updated to provide similar information for both the Fire and Police Plans so relevant information like this would be available to the public.

In response, HR Commissioner Woods advised Mr. Strachan that she was actively working with Mr. Spruiel and this matter is being addressed with Human Resources.

Ms. Cooper continued by advising the Board of the many projects that her office works on alone or with the assistance of Mr. Carr. These included the GASB 68 and Annual COLA updates done in December, the Experience Study – Done every 5 years (2017), a CAP Analysis as requested by the Finance Department when needed. Ms. Cooper expounded on the CAP Analysis by noting that Study done in conjunction with Mr. Carr to determine the 35% payroll percent ratio status in order to evaluate the City of Atlanta's contribution rate. This study she noted does not include the Atlanta Public Schools and the last time it was done was in July 2017 for the 2016 Valuation. Overall she noted that the combined rate for General, Police and Fire was 21.1% using old assumptions however if using the new assumptions that would have resulted in 34.2% of payroll.

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Ms. Cooper discussed a study done in the past to allow Death Benefits for Disabled Children for life and extended the Death Benefits to age 26 for Dependent Children. Ms. Cooper noted that this matter had not been agreed upon nor approved however the Board should be aware of its premise. In addition, Ms. Cooper advised the Board on the study and allocations for individuals given an option to go from the Defined Contribution Plan (DC) back into the Defined Benefit Plan (DB) and out of approximately 280 members given the option 90 members accepted the offer and those figures would be covered in the following years Valuation.

With no further questions and/or discussion from the Board, Mr. Carr and Ms. Cooper concluded the Actuarial Valuation reports, which was accepted as informational.

Mr. Sims took a moment to inform everyone that in the essence of keeping a quorum the order of business would be changed as noted on the agenda to accommodate action items that required a vote from the Board.

**VIII. OLD BUSINESS**

**Financial Institution – Authorized Signers**

Ms. Harris addressed the Board reminding them of the prior understanding of the arrangement to allow the prior HR Commissioner and CFO to act as Authorized Signers. Mr. Amos noted that the prior minutes noted that Ms. Archibong made a motion to allow the HR Commissioner and CFO act as authorized signers. Ms. Harris noted that the bylaws were also discussed for addressing this formally and Ms. Woods also noted that the presence of Chairman Sims was also a matter of concern while making this decision as the Authorized Signer. As such it was agreed and approved that former Interim HR Commissioner and CFO would continue in that capacity as Authorized Signers until the next meeting to address the matter officially.

As discussed at a previous Board Meeting and now that Chairman Sims was present, a *motion was made by Mr. Grant to approve the CFO, Mr. Roosevelt Council and the HR Commissioner, Ms. Marian Y. Woods to act as official Authorized Signers for all three of the City of Atlanta Pension Plans. This motion was seconded by Ms. Overstreet and this motion passed with unanimous decision.*

**Pension Investment Board Election Status (General/APS)**

This matter was addressed in the opening section under Public Comments.

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**Callan LLC – RFP**

Mr. John Gaffney of the Department of Finance addressed the Board by reminding them that he received authorization at the last Special Called Meeting to begin the RFP process to generate the requirements for the combined plans in a joint effort. Mr. Gaffney noted that he had worked with Callan LLC to craft the RFP and it was ready for the Board to review in order for Procurement to release it to the public as agreed upon. He stated that the DC Board had done their draft review and he would like the Investment Board to do the same. Mr. Gaffney noted that if there were any changes to the document that the Board should advise him so that this could be modified as necessary. In conclusion Mr. Gaffney reminded the Board that there would be one (1) Investment Advisor for all of the City of Atlanta Pension Plans.

Mr. Hullender expressed his concern over the idea of allowing Callan LLC to assist the City with crafting the RFP if they intended to submit their proposal to the bid. As a response, Mr. Gaffney noted that Callan LLC assisted him in crafting the document to assist the City with getting more qualified respondents to the RFP noting that in the prior submission there was either zero or 1 qualified respondent. To this fact Mr. Gaffney stated that there were obvious flaws in the way that the RFP was written and Callan LLC provided their expertise in assisting to craft a better written RFP.

Mr. Doug Strachan addressed the Board with information on the previous RFP that was drafted by the then outside Counsel for the General Employees' Pension Plan in the wake of the impending departure of Callan LLC as that plans Investment Consultant. Mr. Strachan stated that several qualified candidates responded and four (4) firms including Mercer to name one.

Mr. Gaffney noted that the Risk Management proponent of the RFP generated caused a challenge to those disclosures that firms typically did not make such disclosure and as such several candidates were disqualified. As well, Mr. Gaffney noted the EOC verbiage was rigid and as such flexibility would need to be added.

Mr. Hullender stated that he had continued concerns over combining all Pension Plan Investment Consulting responsibilities into one company's scope of accountability. He noted that the Defined Benefit proponents seemed acceptable to combine however he was not certain that adding the Defined Contribution Plan into this request would be the best strategy.

Mr. Gaffney responded by noting that the scope of Defined Contribution responsibility would be extremely small compared to that of the Defined Benefit Plans and as such the requirements to that RFP feature would be limited. As well, Mr. Gaffney noted that the Plan Manager would not be the Consultant of that plan to avoid the nature of

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concern. Mr. Gaffney continued by stating that as the Finance Department was the sponsor of the Procurement effort he would be able to give direction to release the RFP as soon as all Boards had agreed on its content. Mr. Hullender stated that he was more comfortable with the path that the RFP process was taking following the additional information provided by Mr. Gaffney.

As no quorum was present at this time, the Board noted that a vote could not be taken to release the RFP pending and questions or modifications. As a result Mr. Gaffney stated that he would provide the draft version to the Board later today so that this matter could be ratified at the next Board Meeting.

**Report on details of existing contracts with former Pension Board**

Ms. Denius reminded the Board that she had provided a report showing all contract fees for the former Pension Board Professionals for review. Chairman Sims, with the agreement of the remaining Board Members noted that this matter would be tabled for discussion at a later date.

**IX. QUESTIONS AND COMMENTS FROM AUDIENCE**

**Pension Investment Presentations**

Mr. Strachan addressed the Board in regards to the overall functional responsibility of reviewing and providing updates on the investments of the Pension Boards that they oversee. To date, Mr. Strachan noted that there have been no presentations from any of the Financial Consultants for any of the Pension Plans. Mr. Strachan also noted that he had submitted an Open Records Request to the City of Atlanta to request the Financial Reports from Callan LLC on behalf of the General Employees' Pension Plan for which he had received. Mr. Strachan continued by stating that Mesirov Financial was on the Watch List for some time due to organizational changes and performance with holdings in excess of \$70M in assets and the recommendation to replace this manager over a year ago had not been revisited by the Board.

As well, Mr. Strachan noted that Globalt was added as a tactical investment with holding of approximately \$112M in investments had performed under the Benchmark 9.2% to 9.8% most recently. As a response Mr. Strachan encouraged the Board to revisit the Investment Reports and applicable Manager Watch Lists to make the necessary recommendations. As a caveat to the Valuation Report, Mr. Strachan expounded on the fact that the Plans rely on investment returns to balance out the measure of required contributions that are determined by the Actuary and as such if managers are not pulling their weight with the expected returns changes need to be made.

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Chairman Sims thanked Mr. Strachan for his candid and insightful commentary by noting that the Board is on the right path to get back to business and he took full accountability for its functional response and obligations. Chairman Sims also stated that on the minimum quarterly financial reports are necessary. In addition, Chairman Sims stated that ongoing meetings will soon be established now that the Board has become fully staffed as required.

To this response, Mr. Light also expressed his similar concern over this message and requested that all three Investment Consultants, Callan LLC, Marquette Associates and Consequent Capital Management, if not present at least have a report that the Board could review for the next meeting.

**Pension Administrative Committees**

Mr. Light also addressed the Board over his concern for having ongoing Pension Administrative Committee Meetings to handle business related to Pension and Disability Applications for approval along with other administrative functions that this Investment Board had engaged in prior to the elected position being granted.

Mr. Hullender inquired with Ms. Denius about the timing of the Administrative Committees being established for this purpose. Ms. Denius stated that once the General and APS elections have concluded the entire Administrative Committee would be prepared to move forward with coordination of the Pension and HR office to conduct business. As a reply Mr. Hullender asked if the Fire and Police Committees could move forward now that he and Mr. Light had been seated. To this, Ms. Denius agreed that this was a valid point. Chairman Sims asked Ms. Denius to take the lead on ensuring the Committees were on track with their expectations as authorized. To confirm establishment of the Committees, Ms. Harris noted that their respective responsibilities had been approved by the Investment Board during the initial Special Called Meeting as documented in the Minutes.

**X. DATE OF NEXT MEETING**

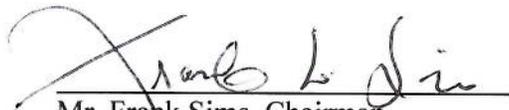
The date of the next regular Board meeting has not yet been determined. Chairman Sims noted that he would like to provide more dates in advance for this purpose. As a result of this statement, Mr. Amos noted that he would work with the Board and Council Members to determine availability so that ongoing meetings could be established as soon as October 2018.

City of Atlanta Pension Investment Board  
Board Meeting Minutes  
September 27, 2018

XI. ADJOURNMENT

There being no further business to be brought before the Trustees at this time, *Mr. Sims called for an adjournment of the meeting at 3:53p.m.*

Respectfully Submitted,

  
Mr. Frank Sims, Chairman

~~Mr. Richard Cox, Vice Chairman~~  
Roosevelt Council, CFO

**RECEIVED**

These Minutes were adopted on NOV 29 2018, 2018.

**ZENITH AMERICAN SOLUTIONS**