

*MINUTES OF THE
BOARD OF TRUSTEES MEETING FOR THE COLUMBUS GEORGIA PUBLIC EMPLOYEE RETIREMENT
SYSTEMS PENSION AND BENEFIT TRUST FUND*

January 8, 2025

TRUSTEES PRESENT:

Mayor, Skip Henderson, Chairman; City Manager, Isaiah Hugley, Vice Chairman; Finance Director, Angelica Alexander, Secretary; Ricky Boren, Trustee; Roderick Graham, Trustee; Jack Warden, Trustee; Fray McCormick, Trustee; Dusty Wilson

TRUSTEES ATTENDING VIRTUALLY:

Lisa Goodwin, Trustee

TRUSTEES ABSENT:

Elizabeth Cook, Trustee (Excused)

OTHERS ATTENDING IN PERSON OR VIRTUALLY:

Pamela Hodge, DCM Finance, Planning & Development; Lucy Sheftall, Assistant City Attorney; Shannel Davison, Investment Officer; Reather Hollowell, Human Resources Director; Cynthia Holliman, Senior Pension Plans Administrator; Joy Wells, Recording Secretary

ADVISORS:

Richard Swift, Raymond James and Nicholas Lacy, Raymond James

CALL TO ORDER

Mayor, Skip Henderson, called the January 8, 2025, meeting of the Board of Trustees of the Columbus Georgia Public Employee Retirement Systems Pension and Benefit Trust Fund to order.

OLD BUSINESS

Mayor Henderson spoke about providing information and clarity on matters concerning the role of the Pension Board that were discussed in the November 13, 2024, meeting and asked Reather Hollowell to speak on the matter.

Reather Hollowell shared the Summary of the 2012 Pension Reform. The 2012 Pension Reform committee included Finance, Human Resources and members of the Pension Board. She pointed out a few key points that were discussed within the committee. The current employees that were already on payroll as of July 1, 2012, were paying 4% and those employees that were hired after July 1, 2012, were to pay 8%. This is the current rate as of today. One of the significant changes that was made was the vesting period. It was previously a five-year vesting period, and now it is a 10-year vesting period. The 2012 reforms also added a DROP – A Deferred Retired Option Plan. There was a change made to the DROP in 2017 to allow an employee who has signed up and stayed in the DROP for three years to suspend the DROP and stay for an additional three years for a total of six years. Ms. Hollowell discussed having Pension software in place after the Reform because the plan had become too complex. The floor was open for discussion. Mayor Henderson determined that the next steps would be to convene an informal group outside of the board to examine the need for any additional Pension reforms at this time. The Board consensus was that this examination would be appropriate as it has been more than 10 years since the last comprehensive pension reform discussions.

Continuing Education

Richard Swift introduced Nicholas Lacy, the CFA Chief Portfolio Strategist Asset Management Services, Raymond James. Mr. Lacy outlined his focus on reviewing the past year, discussing key market and non-market developments, providing an outlook for the coming year and addressing honesty in responses. First discussed was a Market Overview. The expectation starting 2024 was a slow down or entry into a recession. However, the US economy outperformed both a slowdown and a recession. Equity Markets: US Equity markets returned over 25.5% for a second consecutive year, a rare occurrence last seen in 1997-1998. This performance overshadowed other asset classes and international markets. Growth vs. Value Stocks: Growth stocks returned 33% while value stocks returned just under 15%. Despite strong value returns, investors experienced FOMO (Fear of Missing Out) on growth-driven gains. Investment: Investors questioned diversification due to the dominance of US large cap equities. The Bond Market underperformed as economic slowdown predictions and expectations for federal rate cuts in 2024 did not materialize. Lastly, Nicholas touched on future expectations and emphasized the importance of maintaining a diversified approach despite short-term disparities. After his presentation Mr. Lacy was dismissed from the meeting by Mr. Swift. Mayor Henderson also excused himself at this time from the meeting.

Minutes of the Previous Meeting

The minutes from November 13, 2024, regular Pension Board Meeting were submitted for approval. A motion to approve the minutes was made by Fray McCormick. Jack Warden seconded the motion. The board voted and the minutes were unanimously approved.

INVESTMENT UPDATE

Performance Review

Mr. Swift presented it to the board regarding Plan Performance. Mr. Swift discussed the total fund. The total fund is up 11.82% in-line with the index. Over the last three years, the total fund was up 4.10% and for 5 years 9.56%.

He mentioned that the S&P 500 accounts have underperformed. The funds that are doing well are Vanguard FTSE EM VWO, Karpus Investment, Allianz Short Duration Hi Yield ASHPX, and Prudential Total Return Bond Fund, Funds that are slightly behind or underperforming are Madison Investment Advisors LCC, Parnassus Equity LCC, Janus Henderson, Blackrock LCV, Westwood Management Corp, Boston Partners/Robeco, Westend Global Balanced. All other funds are in line. Mr. Swift highlighted a few managers that were under-performing showing “Managers Performance Closer Look”. Mr. Swift then opened for discussion.

Asset Allocation

Mr. Swift then reviewed the asset allocation of the Pension fund. All the categories are in line with our investment policy. The fund is at 61.8% in equities and 38.2% in fixed income. After much discussion, the board and Mr. Swift agreed to reduce risk some in the portfolio by moving \$7,000,000 from the Russell Growth Acct and \$7,000,000 from the S&P 500 Acct – for a total of \$14,000,000 to the Large Value Space.

After the discussion was finished, Mr. Swift informed the board that he would look into a large-cap growth study to present at the next meeting. With this, Mr. Swift concluded presentation.

NEW BUSINESS

Ms. Alexander let the Board know that Chuck Carr, the Board’s actuary, would be at the next meeting.

Other Business

There was no other business for this meeting.

Adjourn

With there being no further business to discuss, City Manager Isaiah Hugley declared the meeting adjourned.

The next meeting is scheduled for February 12, 2025, at 2:00 PM in the Information Technology Large Conference Room.

Joy Oliver Wells
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Recording Secretary