

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

February 12, 2020

TRUSTEES PRESENT: City Manager Isaiah Hugley, Vice Chairman; Finance Director Angelica Alexander, Secretary; Jack Kinsman, Trustee; Mike Higgins, Trustee; Lisa Goodwin, Trustee; Fray McCormick, Trustee; and

TRUSTEES ABSENT: Mayor Skip Henderson, Chairman; Audrey Hollingsworth, Trustee; Liliana McDaniel, Trustee and Elizabeth Cook, Trustee

OTHERS ATTENDING: Pamela Hodge, DCM Finance, Planning and Development; Lucy Sheftall, Assistant City Attorney; Denise Brown, Investment Officer; Reather Hollowell, Human Resources Director; Mary Scarbrough, Columbus Airport Representative; and Glendora Arrington, Recording Secretary

ADVISORS: Richard Swift, Raymond James

CALL TO ORDER

City Manager, Isaiah Hugley called the February 12, 2020 meeting of the Board of Trustees of the Columbus Georgia Public Employee Retirement Systems Pension Fund and Benefit Trust Fund to order.

MINUTES OF THE PREVIOUS MEETING

The minutes from the January 8, 2020 regular Pension Board Meeting were submitted for approval. A motion to accept minutes was made by Fray McCormick. Jack Kinsman seconded the motion. The board voted, and the minutes were unanimously approved as submitted.

INVESTMENT UPDATE

a. Performance Review

Richard Swift briefly reviewed and presented on the fund performance for the month of January 2020.

In review, funds that are doing well are Madison Investment Advisors LCC0, Blackrock LCV, Boston Partners / Robeco, Clarkston Capital, Causeway Capital International, Allianz Short Duration Hi Yield ASHPX, and Karpus Investment FI.

Funds that are currently underperforming are Clearbridge Advisors LCG, Loomis Sayles LCG, TCW LCV, Lazard Asset International, iShares MSCI EAFE ETF EFA, Lazard Emerging Markets, Globalt Inc FI, and Madison Investment Advisors.

Minutes other than summary minutes will be released on a delayed schedule to protect the release of information made confidential by Official Code of Georgia Annotated Section 47-1-14(c) and (d).

Mr. Swift reviewed the managers and how they have performed since inception versus their index. We have 24 managers. 22 of the managers are ahead or inline. We have two managers who are slightly behind. Mr. Swift stated that he will continue to watch Clearbridge as the numbers are falling behind slightly. And zero managers who are trailing.

b. Asset Allocation

Mr. Swift presented to the board regarding asset allocation. We are currently within investment policy statement in all categories. And we're not far from the target. Most of the areas that we're overweight or underweight are on purpose. We are just under 64% in equities and 36% in fixed income.

c. Capital Market

Mr. Swift presented a review of the capital market, gave some history of the market and presented on where the pension fund stands. We have had an extraordinary run since the bottom after the financial crisis. The rise from the bottom of the financial crisis has been around 378%. We have seen the price to earnings ratio move from 10.3 to a price to earnings multiple of 18.2. This ratio is the difference between the price of stocks and the earnings that support them. The wider that is, the larger the ratio is. The average has been 16.28.

NEW BUSINESS

a. Actuarial Valuation Report

Chuck Carr from Southern Actuarial Services then presented actuarial evaluation reports for all four plans as of July 1, 2019 to the board. He recommended a change to the mortality tables. The RP2000 was the table that we changed to two years ago. The current reports are based upon PUB2010 mortality tables. The previous tables were mortality tables applicable to the general population. The PUB2010 are specific to public employees, in particular public safety employees. These results apply to the FY20-21. After discussion, it was decided to table approval of actuarial evaluation reports until the information can be presented to the mayor.

Lisa Goodwin, General Government Representative / Trustee, was excused from the meeting.

OLD BUSINESS

a. Pop Up Cost Study

Chuck Carr presented the board with information regarding the Pop Up Cost Study. This applies to retirees who retired prior to July 1, 1998. These are employees who have been retired for over 20 years who elected the joint and contingent forms of payment. If the joint annuitant dies before the retiree dies, then the retiree's benefit will pop up to the normal amount of benefit as if the retiree had not elected the joint survivor. If the retiree dies first, the percentage of the benefit will go to the joint annuitant. The cost of added liability for general government and public safety is less than \$300K. This will be \$33K a year for 12 years. It is 0.01% for the general government employees and 0.04% of public safety payroll. The board briefly discussed the information and decided to table any decisions until the information can be presented to the mayor.

CONTINUING EDUCATION

The board received a presentation on Pension Funding and Actuarial Concepts by Chuck Carr of Southern Actuarial Services as part of the continuing education requirement. Southern Actuarial Services is a company based out of Sandy Springs, Georgia that compiles and analyzes statistics to calculate the financial impact of uncertainty and minimize risks for pension funds.

Old Business resumed

a. Pension Board Consultant RFP Update

While there was not a quorum, Angelica Alexander updated the members in attendance that we did receive all of the evaluations. Because there was no quorum, it was decided to table the update until the next meeting.

OTHER BUSINESS

No other business was discussed.

ADJOURN

With there being no further business to discuss, a motion was made to adjourn the meeting by Fray McCormick. It was seconded by Jack Kinsman. City Manager, Isaiah Hugley declared the meeting adjourned.

The next meeting is scheduled for March 11, 2020 at 2:00 PM in the Ground Floor Conference Room.

Glendora Arrington

Glendora Arrington
Recording Secretary