

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

September 14, 2022

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

TRUSTEES ABSENT: Lisa Goodwin, Trustee; and Elizabeth Cook, Trustee

TRUSTEES ATTENDING VIRTUALLY: Roderick Graham, Trustee and Crystal Shahid, Trustee

OTHERS ATTENDING IN PERSON OR VIRTUALLY: Pamela Hodge, DCM Finance, Planning and Development; Lucy Sheftall, Assistant City Attorney; Denise Brown, Investment Officer; Reather Hollowell, Human Resources Director; Angela Allison, Columbus Water Works Representative; Carl Robertson, Columbus Water Works Representative and Glen Arrington, Recording Secretary

ADVISORS: Richard Swift, Raymond James

CALL TO ORDER

Mayor Skip Henderson called the September 14, 2022, meeting of the Board of Trustees of the Columbus Georgia Public Employee Retirement Systems Pension Fund and Benefit Trust Fund to order.

Mayor Henderson took time recognize two new members of the board. Those members are Jack Warden, who is the present CEO of Goodwill Industries of Southern Rivers; and, of course, Rick Boren, retired Chief of Police from Columbus, Georgia, Columbus Consolidated Government. We are delighted to have them both on board.

MINUTES OF THE PREVIOUS MEETING

The minutes from the August 10, 2022, regular Pension Board Meeting were submitted for approval. A motion to accept the minutes was made by Fray McCormick. Dusty Wilson seconded the motion. The board voted, and the minutes were unanimously approved.

INVESTMENT UPDATE

a. Performance Review

Richard Swift presented to the board regarding the fund performance for the month of August 2022. He reported on what has changed since our last meeting and that inflation has not gotten a whole lot better. The market realized that yesterday when the CPI report came in a little bit higher than expected and the market dropped about 4% in one day. And that is a big drop. It dropped about 1200 points, which was the 7th largest drop in history for one day. So,

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).

obviously, we are in volatile times. Most of the volatility is centered around inflation. The housing market has slowed some. But not enough to take the CPI number down to satisfy the investing public. And, therefore, the investing public believe that the Federal Reserves are going to have to continue to “put the gas on”, rate increases to slow everything down. It has been a volatile time. What we are all hoping for is that we get our arms around inflation with the Federal Reserves’ movements without having some long-term economic effect on us. The Federal Reserves, like it or not, they are making the best decisions they can. We anticipate the rates to continue to go up. Mr. Swift said he anticipates the market to be “choppy.” Remember the market is generally eight, nine, or ten months ahead of our economic conditions. If we wait to feel like comfortable with our asset allocation or our exposure to equities, by the time the economy starts feeling better, the market will have already made its move. Be patient. It is going to take some time.

Looking at the market performance for the past year, our return is down 11.8%. The index is down about 10.8%. But looking at three, five and ten years, giving us a little more time, the numbers look good. We are well above the actuarial assumption and well above the benchmark.

Funds that are performing well are Madison Investment Advisors LCC, Janus Henderson LCG, Blackrock LCV, Westwood Management Corp, Boston Partners / Robeco, John Hancock Small Cap, Capital Group Intl Equity, Vanguard FTSE EM VWO, Karpus Investment FI, Federated Investment Core Plus, Globalt Inc FI and Madison Investment Advisors FI.

Funds that are slightly behind or underperforming are the iShares Core S&P 500 ETF IVV, iShares Russell 1000 Growth IWF, Janus Henderson LCG, and Causeway Capital Intl. All other funds are in line.

It is a difficult report. We do have some managers that are missing the mark. But we have a lot of managers that are doing well. Hopefully, we will go up.

Mr. Swift then opened for discussion.

b. Asset Allocation

Mr. Swift then reviewed the asset allocation of the Pension fund. The fund is in line with the investment policy in all categories of the investment policy. It is just under 63% in equities and 37% in fixed income. No reason to alter currently. The next two or three months will be difficult. If we have an inflation data point that is halfway positive, I think the market will like that. I do want the board to be prepared for a “slushy” market, kind of a volatile market. It is going to feel a little sluggish for a while.

Mr. Swift opened for discussion.

OLD BUSINESS

No old business was discussed.

NEW BUSINESS

Amendment to FY23 Pension Board Meeting Calendar

Richard Swift mentioned to the board that in reviewing the meeting schedule for FY23, he has a conflict with the June 14, 2023 meeting. He has a business conference that he must attend and will be traveling on that date. Mr. Swift requested to move the Pension Board Meeting to June 21st, which would be a week later.

After discussion, a motion made to move the June 14, 2023 meeting to the following week on June 21, 2023 by Fray McCormick. It was seconded by Dusty Wilson. The board voted and it was unanimously approved.

Master Plan Agreement Update

Richard Swift updated the board regarding the Master Plan Agreement. In the last board meeting, he informed that Lucy Sheftall is working with the legal department of Raymond James to put together a document that is all encompassing and will cover all of our accounts. The document is close to finishing; there is one last issue that we are trying to have revised. But he stated that he felt confident that we would bring it up next month. Once the document has been finalized it will be circulated to the board so that the board members can review it prior to the board meeting.

Pension Board Withdrawal

Angelica Alexander spoke to the board regarding pension fund and where we stand from a cash standpoint. She provided to the board the last two fiscal years of actual deposits and expenses for the pension fund. We are currently at the point in the fiscal year where we need cash to cover expenditures and responsibilities for the pension fund. The funds cover payroll costs for retirees, the DROP payments, refunds for members not fully vested in the city.

After discussion, a motion was made to approve the withdrawal or draw down up to \$6 million by Ricky Boren. Dusty Wilson seconded the motion. The board voted, and it was unanimously approved.

OTHER BUSINESS

Richard Swift brought to the board's attention that during the last pension board meeting, we terminated two managers that had not done well for us; Atlanta Capital and Aligned US Blue Chip. One is a large cap core manager and the other is a large cap growth manager. When we fired these managers, we moved those assets to the passive investment in that category. He requested to have a sub-committee to look at the items a little closer.

ADJOURN

With there being no further business to discuss, Mayor Henderson declared the meeting adjourned.

The next meeting is scheduled for October 12, 2022, at 2:00 PM in the Ground Floor Conference Room.

Glendora Arrington

Glendora Arrington
Recording Secretary