

**BOARD OF TRUSTEES OF THE CITY OF ATLANTA
GENERAL EMPLOYEES PENSION FUND
MINUTES OF MEETING**

January 4, 2012

A meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on January 4, 2012 in City Hall, Committee Room 2, and Atlanta, GA.

TRUSTEES PRESENT:

Alfred Berry, Jr.
Douglas Strachan
Jim Beard
Gregory Nash

Aretha Sumbry-Powers
Angela Green
Yvonne Cowser-Yancy

TRUSTEES ABSENT: Yolanda Johnson Aaron Watson

OTHERS:

Richard Larimer, GEMGroup; Kristen Denius, City Law Department, Ray Adams, Office of Retirement Services; Larry Gray, Lisa Joe and Greg Johnson of Gray & Company. Also present was Laurel Hill of Wells Fargo and Jo Ellen Paige, former board member.

Mr. Berry called the meeting to order at 9:40 A.M. There was a quorum.

ANNOUNCEMENT OF ELECTION RESULTS – NEW TRUSTEES

Ms. Angela Green and Dr. Gregory Nash were introduced as the two newly elected board members, representing retirees of the City of Atlanta and Atlanta Public Schools, respectively. Having been duly sworn in prior to the meeting, Ms. Green and Dr. Nash assumed their seats on the board for three-year terms.

ADOPTION OF AGENDA:

MOTION: A motion was made and seconded to adopt the Agenda as presented. The motion passed.

APPROVAL OF MINUTES:

MOTION: A motion was made and seconded to adopt the Minutes of the December 7, 2011 meeting as presented. The motion passed.

GENERAL EMPLOYEES' PENSION FUND PENSION AWARDS:

SERVICE PENSION APPLICATIONS

The Service Pension Applications on the attached spreadsheet were presented to the Board for approval.

MOTION: A motion was made and seconded to approve service pension applications Nos. 1-5 as listed on the attached spreadsheet dated January 4, 2012. The motion passed.

CORRECTION

A correction Service Pension that had previously been approved was presented to the Board for further review and approval. The correction reflected an increase in the previously approved benefit due to retroactive compensation being reported by payroll after the application had been presented for approval. In addition to this adjustment the participant has questioned the methodology of crediting unused Vacation credit in the pension calculation. The Administrator, Pension Department and City Law will review the issue and determine the proper interpretation which may require another correction at the next meeting.

MOTION: A motion was made and seconded to approve the corrected monthly benefit amount as presented subject to further review of the vacation crediting methodology. The motion passed.

BENEFICIARY PENSION APPLICATIONS

The Beneficiary Pension applications on the attached spreadsheet were presented to the Board for approval. The difference in last names of the Pensioner and Beneficiary in application #3 was questioned. Prior to the end of the meeting, Mr. Larimer reported that GEMGroup had verified that the Pensioner and the Beneficiary had been legally married overseas and that the wife had never legally changed her name.

MOTION: A motion was made and seconded to approve Beneficiary Pension applications Nos. 1 – 3 on the attached spreadsheet dated January 4, 2012. The motion passed.

APPROVAL OF CHECK REGISTER AND INVOICES:

A Check Register dated January 4, 2012 was presented for review and approval. The increase in the monthly expense for City of Atlanta Administrative Costs was questioned. Ms. Yancy pointed out that the month of December had three (3) pay dates instead of the normal two (2) and this accounted for the increase in the allocation of salary expense.

MOTION: A motion was made and seconded to approve items 1-5 on the Check Register dated January 4, 2012 totaling \$66,546.03. The motion passed. Ms. Green voted against.

REVIEW OF NOVEMBER 2011 FINANCIALS:

The financials for the period ending November 30, 2011 were reviewed. Mr. Berry commented on the Computation of Fund Equity, pointing out that the Factor Update showing the proportionate share of assets between the City of Atlanta and APS continues to change with the City of Atlanta share growing to 89.5%, and APS declining to 10.5%. Mr. Beard stated that he would review the trend.

MOTION: A motion was made and seconded to acknowledge receipt of the November 30, 2011 financial statements as presented. The motion passed. Mr. Berry, Ms. Powers and Ms. Green abstained.

Mr. Berry inquired about the last four checks on the Statement of Account being out of sequence. Subsequent to the meeting, Mr. Larimer researched the out-of-sequence checks. One was the result of the check number being input in error at a teller window; when it kicked out on an exception report, GEMGroup accounting staff viewed the check, determined it was valid and approved payment. The other three were fraudulent checks presented for deposit. These checks were kicked out and denied as a result of the Positive Pay system in place at Wells Fargo. Wells Fargo is notified when this occurs.

LAW DEPARTMENT:

No Report

ACTUARY REPORT

No Report

INVESTMENT CONSULTANT REPORT:

Flash Report - November 2011

Mr. Gray reviewed the Flash Report, a copy of which had been provided to the board members in advance, reporting that total assets of the Fund were \$989.2 million at November 30, 2011. Market value had increased slightly to \$996 million at year-end. Through November 30, the YTD return for the portfolio is .61% and the one-year number is 4.48%. He pointed out that the S&P 500 Index began the year at 1257 and ended the year at virtually the same level. Despite all the volatility experienced during the year, the net result was a flat year-over-year performance.

Mr. Gray commented that many problems that had impacted the global markets in 2011 are still the major drivers in 2012: Europe's debt problems, a dysfunctional US Congress, and a slowdown in China.

The portfolio remains within policy guidelines with respect to target asset allocations.

Mr. Gray reminded the board of the Investment Subcommittee meeting scheduled for January 20, 2012 to be held at the Gray & Company offices. A notice has been sent to the trustees and an agenda will be furnished in advance.