

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

July 5, 2012

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A meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on July 5, 2012 in City Hall, Committee Room 1, and Atlanta, GA.

**TRUSTEES PRESENT:**

Alfred Berry, Jr.  
Douglas Strachan  
Yolanda Johnson  
Gregory Nash

Yvonne Cowser Yancy  
Aretha Sumbry-Powers

**TRUSTEES ABSENT:**

Jim Beard, Angela Green, Aaron Watson

**OTHERS:**

Richard Larimer, GEMGroup; Ray Adams, Office of Retirement Services; Larry Gray, Lisa Joe and Gregory Johnson of Gray & Company, and Robert Stanley of the Atlanta Public Schools.

Mr. Berry called the meeting to order at 9:30 A.M. There was a quorum.

**ADOPTION OF AGENDA:**

The Agenda was revised to replace the Check Register contained in the meeting books with a Revised Check Register dated July 5, 2012.

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

**APPROVAL OF MINUTES:**

In the June 6, 2012 minutes, a minor edit to wording, the correction of the spelling of a board member name, and a clarification on the implementation period of the 7.5% actuarial assumption were requested. The Administrator will make the corrections and submit the revised minutes for signature at the August meeting.

**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. 1-6 as listed on the attached spreadsheet dated July 5, 2012. The motion passed.

**DISABILITY PENSION APPLICATIONS**

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

**MOTION:** A motion was made and seconded to approve the Disability Pension applications Nos. 1 & 2 on the attached spreadsheet dated July 5, 2012. The motion passed.

**BENEFICIARY PENSION APPLICATIONS**

The Beneficiary Pension applications on the attached spreadsheet were presented to the Board for approval.

**MOTION:** A motion was made and seconded to approve Beneficiary Pension applications Nos. 1 - 4 on the attached spreadsheet dated July 5, 2012. The motion passed. Mr. Berry abstained.

**APPROVAL OF CHECK REGISTER AND INVOICES:**

Check Register dated July 5, 2012 was presented for review and approval. This revised Check Register was distributed by the Administrator at the meeting to replace the one contained in the meeting books. It includes the checks from both the June 6<sup>th</sup> and July 5<sup>th</sup> meeting. The two previously prepared Check Registers (for June 6<sup>th</sup> and July 5<sup>th</sup>) were also distributed showing all the previously prepared checks as VOIDED. This became necessary due to a storm-related power outage in the Washington DC area that prevented Mr. Larimer from retrieving the first set of checks from the GEMGroup offices prior to the meeting. Both the June and July checks had to be re-issued.

**MOTION:** A motion was made and seconded to approve 16 items- #38792 - #38807 on the Check Register dated July 5, 2012 totaling \$545,332.52. The motion passed.

**REVIEW OF APRIL 2011 FINANCIALS:**

The financials for the period ending May 31, 2012 were presented. Mr. Berry questioned check #7752 on the Wells Fargo statement as being out of order. Mr. Larimer will research and provide and explanation. Further review of the financials was deferred due to Mr. Beard's absence.

**MOTION:** A motion was made and seconded to acknowledge receipt of the May 31, 2012 financial statements as presented, pending a review by CFO Beard.

**LAW DEPARTMENT:**

Fiduciary Liability Policy - Deferred to next meeting

Policy for Pension Effective Date in Reduction in Force Terminations: - Deferred to next meeting.

**ACTUARY REPORT**

No Report

**INVESTMENT CONSULTANT REPORT:**

Flash Report – May 31, 2012

Mr. Gray reviewed the Flash Report on Performance for the month ending May 31, 2012. The theme of the commentary was that volatility is back in the markets and the expectation is that it will continue throughout the remainder of the year as the big issues of the US election, the debt crisis in the Euro zone and the fragile, slow recovery in the US. Overall portfolio performance was down 4.96% in May and down 2.95% for the one year period. Year to date was positive 3.31% due to a strong first quarter.

Mr. Gray pointed out the particularly disappointing performance of the MidCap sector, down 6.68% for the month and down 9.07% for the one year period. For the one year period, the Fund's MidCap managers' performance was 300 basis points below the Russell MidCap index.

In response to a question from Mr. Strachan asking if it would make sense to index the MidCap allocation, Mr. Gray stated that while this may be a good strategy he would want to provide the board with an analysis of what the composite index holds so that they could better assess the potential risk of concentrated exposure to the technology and telecommunication segments that may be inherent in a MidCap index. This will be an agenda item for the upcoming Investment subcommittee meeting on July 18, 2012.

Investment Manager Compliance with IPS

Mr. Berry and Ms. Yancy commented on compliance with the Investment Policy Statement (IPS). Their expectation is that Gray & Company should be more proactive in identifying managers that have not met the specific performance criteria required by the IPS and in bringing probation recommendations to the board for immediate action. Mr. Berry made the point that the board should not have to ask about possible probation for a particular manager, Gray & Company should take more of the initiative.

If there is a recommendation to terminate a particular manager, Ms. Yancy recommended that the results of a manager search analysis be completed in advance and presented to the board concurrently with the termination recommendation. This would allow manager moves to be made more quickly.

Mr. Strachan commented that the IPS contains quite specific benchmarks that managers must meet and failure to meet them should trigger an automatic probation in order for the board to comply with the policy. Mr. Gray expressed a somewhat different interpretation of the IPS as being more of a

guide, prompted analysis and evaluation of the under-performance or other change which may then lead to a probation recommendation to the board. He stated he would operate in whatever way the board preferred and was looking forward to a more extensive discussion on this topic at the upcoming Investment Subcommittee meeting on July 18<sup>th</sup>.

Mr. Gray commented that the IPS identifies the goal for large cap managers is to beat the S&P 500 Index by 100 basis points over a full market cycle; this excess performance over the Index appears to be unrealistic in the current environment and probably needs to be revised. This will also be on the Subcommittee agenda.

### **OLD BUSINESS:**

#### Indirect Cost Allocation to GEPP Reconciliation of Amounts Due to GEPP

Both of these items were deferred to the next meeting when representatives of the Finance Department can be in attendance.

### **NEW BUSINESS:**

#### Third-Party Administrator Contract

It was noted that the GEMGroup contract expires October 31, 2012. In advance of preparing a Request for Proposal, the board asked that a copy of the current contract agreement be sent to all board members prior to the next meeting. Subsequent to the meeting, Mr. Larimer forwarded a copy of the current Agreement.

#### Annual Pension Statements

Mr. Larimer reported that the 2011 Pension Statements were ready to be mailed on or before July 13, 2012. A cover letter will be sent to the board for review prior to mailing. There were 149 participants in a group of new hires between July 2010 and June 2011 whose payroll data had not been including in the file sent to GEMGroup during this period as a result of a new code no having been updated. The plan was to send these participants a letter stating that work was underway to correct their records and a supplemental Pension Statement mailing would be done for them at a later date.

Ms. Yancy disagreed with this approach and wanted all efforts made to correct the missing payroll data record, get it to GEMGroup and mail accurate statements to all participants at the same time, even if this meant a short delay in mailing the Statements. She offered to designate a senior Payroll manager to provide support to this effort. The Administrator and the City Pension office agreed to work on a solution and provide an update to Ms. Yancy and the board next week.

Mr. Strachan and the board reiterated their commitment to implement Website access for General Pension participants as soon as is practical.

**MOTION:** A motion was made and seconded to go into Executive Session for the purpose of hearing an appeal of the Denial of Disability Application of Ms. Lori Collins-Jones.

{Executive Session begins}  
{Executive Session ends}

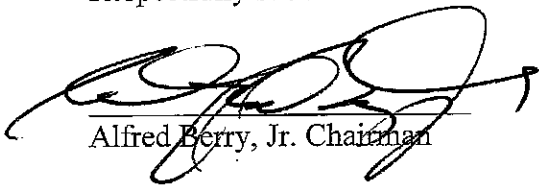
**MOTION:** A motion was made to defer final decision on the appeal until the specific procedures and doctors statements can be reviewed by City Law Department. The motion passed.

The board stated that a decision should be reached on or before the August board meeting.

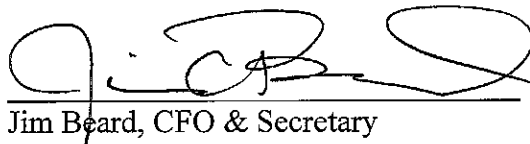
**PUBLIC COMMENT:** None

There being no further business to discuss, the meeting was adjourned at 11:15 a.m.

Respectfully submitted:



Alfred Berry, Jr. Chairman



Jim Beard, CFO & Secretary

**GENERAL EMPLOYEES PENSION FUND BOARD MEETING**

**DATE: July 5, 2012**

**SERVICE PENSION APPLICATIONS**

	<u>DATE RECEIVED</u>	<u>NAME</u>	<u>CLASSIFICATION</u>	<u>DEPARTMENT</u>	<u>AGE YEARS &amp; MONTHS</u>	<u>PENALTY APPLIED # OF MONTHS</u>	<u>YEARS OF SERVICE YEARS &amp; MONTHS</u>	<u>AMENDMENT</u>	<u>EFFECTIVE DATE</u>	<u>AMOUNT</u>
1	5/17/2012	Turner, Carl S	Watershed Plant Op Sup	Watershed Mgmt	51 & 2 mo	0	30 & 7 mo	1978/2005	5/10/2012	\$3,884.23
2	6/15/2012	Thomas, Peter	Fleet Manager	Public Works	59 & 4 mo	7.6 mo	27 & 11 mo	1978/2005	5/10/2012	\$3,784.69
3	5/2/2012	Williams, Ruben	Fleet Manager	Public Works	53 & 5 mo	0	30 & 7 mo	1978/2005	4/12/2012	\$4,151.90
4	5/18/2012	Tolen, Larry E	Watershed Operator 3	Watershed Mgmt	60 & 10 mo	0	32 & 2 mo	1978/2005	4/26/2012	\$3,128.31
5	6/18/2012	Goolsby, Richard	ROA Sr	Recreation	54 & 9 mo	0	30 & 4 mo	1978/2005	5/24/2012	\$2,435.59
6	5/23/2012	Harvey, Isiah Jr	WPO Class II	Watershed Mgmt	58 & 7 mo	0	30 & 1 mo	1978/2005	5/10/2012	\$3,360.79

**DISABILITY PENSION APPLICATIONS**

	<u>DATE RECEIVED</u>	<u>NAME</u>	<u>IN LINE OR NOT IN LINE OF DUTY</u>	<u>CLASSIFICATION</u>	<u>DEPARTMENT</u>	<u>AGE YEARS &amp; MONTHS</u>	<u>YEARS OF SERVICE YEARS &amp; MONTHS</u>	<u>AMENDMENT</u>	<u>AMOUNT</u>	<u>RECOMMEND</u>
1	6/21/2012	Green, Lynn D	NILD	Officer	Corrections	49 & 7 mo	15 & 2 mo	1986	\$1,744.20	A
2	6/21/2012	Cofer, Nazra N	NILD	Semi-Skilled Worker	Watershed	33 & 3 mo	5 & 4 mo	1986	\$1,121.06	A

**BENEFICIARY PENSION APPLICATIONS**

	<u>DATE RECEIVED</u>	<u>PENSIONER NAME</u>	<u>BENEFICIARY NAME</u>	<u>DATE OF DEATH</u>	<u>EMPLOYER (CITY or APS)</u>	<u>TYPE OF PENSION</u>	<u>AMOUNT</u>	<u>AMENDMENT</u>	<u>BENEFICIARY AMOUNT</u>	<u>EFFECTIVE DATE</u>
1	6/15/2012	Kell, Curtis	Kell, Lydia	4/19/2012	APS	Service	\$822.26	1962	\$411.14	4/20/2012
2	6/15/2012	Harden, Bennie	Harden, Shirley	5/31/2012	CITY	Service	\$1,991.98	1978	\$1,493.99	6/1/2012
3	6/20/2012	Berry, Henry L	Berry, Ida L	5/14/2012	CITY	Service	\$5,970.05	2005	\$4,477.54	5/15/2012
4	6/20/2012	Akin, Willard	Akin, Doris	5/8/2012	CITY	Service	\$2,324.29	1978	\$1,743.22	5/9/2012