

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

December 7, 2011

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A meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on December 7, 2011 in City Hall, Committee Room 1, and Atlanta, GA.

**TRUSTEES PRESENT:**

Alfred Berry, Jr.  
Jo Ellen Paige  
Yolanda Johnson  
Aaron Watson

Aretha Sumbry-Powers  
Douglas Strachan  
Jim Beard  
Yvonne Cowser-Yancy

**TRUSTEES ABSENT:**      None

**OTHERS:**

Richard Larimer, GEMGroup; Kristen Denius, City Law Department, Ray Adams, Office of Retirement Services; Larry Gray and Lisa Joe of Gray & Company. Also present were Derek Batts of Union Heritage/Morgan Stanley, Laurel Hill of Wells Fargo, and Eric Atwater of Segal.

Mr. Berry called the meeting to order at 9:35 A.M. There was a quorum.

**ADOPTION OF AGENDA:**

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

**APPROVAL OF MINUTES:**

Mr. Gray offered two edits to the Investment Consultant Report from the November 2<sup>nd</sup> meeting and provided them in writing to the Administrator. Also, the dates for the Election needed to be corrected. The minutes will be re-submitted for signature at the next meeting with the edits made.

**GENERAL EMPLOYEES' PENSION FUND PENSION AWARDS:**

**SERVICE PENSION APPLICATIONS**

The Service Pension Applications on the attached spreadsheet were presented to the Board for approval. Mr. Larimer noted two corrections on the spreadsheet: #13 – Ms. Conyers and #27 – Mr.

Williams. Updated payroll history was provided prior to the meeting but after the agenda had been prepared. The corrected benefit amounts were provided by Mr. Larimer.

**MOTION:** A motion was made and seconded to approve service pension applications Nos. 1-31 (#'s 13 and 27, as amended) as listed on the attached spreadsheet dated December 7, 2011. The motion passed.

### **DISABILITY PENSION APPLICATIONS**

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

**MOTION:** A motion was made and seconded to approve Disability Pension applications 1-3 on the attached spreadsheet dated December 7, 2011. 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 – 5 on the attached spreadsheet dated December 7, 2011. The motion passed.

### **APPROVAL OF CHECK REGISTER AND INVOICES:**

Mr. Berry questioned the name and mailing address of the Union Heritage check. Mr. Batts stated that the name and address were correct for the period shown, but will change to the new Morgan Stanley-related name for future bills.

**MOTION:** A motion was made and seconded to approve items 1-12 on the Check Register dated December 7, 2011 totaling \$456,155.97. The motion passed. Mr. Berry abstained with respect to item #12.

### **REVIEW OF SEPTEMBER 2011 FINANCIALS:**

The financials for the period ending October 31, 2011 were reviewed. Trustees asked if inactive accounts and former money managers showing on the statements could be deleted or hidden. The accounts need to be maintained on the accounting record for historical reporting purposes but can be hidden. Mr. Larimer will make that change.

Mr. Larimer reported that two alternative financial statement formats were provided to Mr. Beard for his review and that a meeting with the CFO to discuss the formats was scheduled for later that day.

**MOTION:** A motion was made and seconded to accept receipt of the October 31, 2011 financial statements as presented. The motion passed.

**LAW DEPARTMENT:**

Election Update

Ms. Denius reported that the Election was underway and on schedule for the December 14-16, 2011 voting.

**ACTUARY REPORT**

Eric Atwater gave a brief update on the progress of the 2011 Valuation Report, stating that the process was moving forward and that Segal should be able to meet the previously established completion dates.

**INVESTMENT CONSULTANT REPORT:**

Flash Report - October 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 \$997.9 million at October 31, 2011. The month of October saw a significant bounce upward with a return on the total portfolio of 8.34% which pulled the portfolio up to a positive return YTD of .88%. The one-year return was 5.35%. Mr. Gray commented on the overall state of the capital markets by highlighting the ongoing credit difficulties in Europe, a slowing of China's economy and the persistent high unemployment in the US as the reason significant volatility can be expected in the market over the near term.

It was pointed out that the Fixed Income Composite for the month was slightly negative at (.06%) compared to the index of .11%. Gray & Company continues to closely monitor with the Plan's Fixed Income managers to assess how they are preparing for what most experts believe will be an uptick in interest rates and drop in bond values.

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

Mr. Berry asked how the recent allocation from fixed income to equity had impacted the portfolio. Mr. Gray stated that although it is clear that in the short term the portfolio did not benefit, he remains confident that the longer term positioning toward equities will have a positive impact.

Ms. Paige inquired about the difference between the asset value shown on the Gray & Company Flash Report and the Computation of Fund Equity shown in the Financial Statements as provided by GEMGroup. Mr. Gray offered a few possible reasons for the difference including the timing of trades and how they settled and accruals. He and Mr. Larimer would provide a more complete answer at the next meeting.

The next meeting of the Investment Subcommittee was scheduled for Friday, January 20<sup>th</sup> at 1:00 pm to be held in Gray & Company offices. Ms. Joe will prepare an official meeting notice for the board's review and public posting.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**Cost of Living Adjustment (COLA) – 2012**

Mr. Larimer reviewed the draft of letter to be sent to retirees notifying them of the COLA increases for 2012.

**MOTION:** A motion was made and seconded to approve the letter as drafted. The motion passed.

Mr. Larimer reported that Southern Actuaries had prepared the calculations and provided the Table of COLA percentages. In past years, Mr. Carr's charge for this preparation was borne by the Police and Fire Plans for whom he serves as actuary. Mr. Carr believes it would be fair for GEPP to bear a portion of the cost. The total charge is \$1200 and one-third was allocated to the GEPP. An invoice for \$400 has been submitted.

The trustees felt it was more appropriate for the GEPP's actuary, Segal, to prepare the COLA calculations on their behalf and recommended that this service be included in the Segal contract currently being revised. Mr. Atwater offered to provide the COLA calculations in 2013 and future years as part of their overall service package without additional expense to the GEPP.

**MOTION:** A motion was made and seconded to include the preparation of the annual COLA calculations in the Segal contract at no additional charge beginning in 2013. The motion passed.

The invoice from Southern Actuaries for the 2012 COLA letter will be presented for approval at the January meeting.

**New Pension Plan Committees**

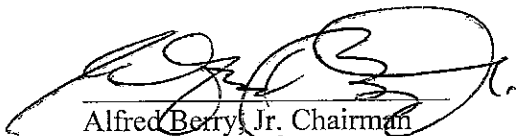
The new Pension Ordinance 11-O-0672 requires the formation of several committees. Mr. Berry was nominated to serve on these newly formed committees as the representative of the GEPP.

**MOTION:** A motion was made and seconded to appoint Mr. Berry to serve on the new committees mandated by the Pension Ordinance. The motion passed.

**PUBLIC COMMENT:** None

There being no further business to discuss, the meeting was adjourned at 10:45 a.m.

Respectfully submitted:

  
Alfred Berry, Jr. Chairman

  
Jim Beard, CFO & Secretary