

CITY OF ATLANTA POLICE OFFICERS'
DEFINED BENEFIT PENSION ADMINISTRATIVE
COMMITTEE MEETING

February 20, 2020

Committee Room 1 – City Hall

12:00 P.M. – 1:00 P.M.

COMMITTEE MEMBERS PRESENT

LOUIS AMIS

FUMNANYA JOHNSON

RICK ‘BUD’ LIGHT

WILLIAM BILL BOYD

KEN ALLEN

HR Department Designee, City of Atlanta

Finance Department Designee, City of Atlanta

Police, City of Atlanta

Police, City of Atlanta

Police, City of Atlanta

OTHERS PRESENT

As acknowledged on the City of Atlanta Defined Benefit Administrative Committee Meeting Sign-In Sheet for February 20, 2020.

I. CALL TO ORDER

Chairman Rick ‘Bud’ Light called the meeting to order at 12:07 p.m. in Committee Room 1 City Hall in Atlanta, Georgia. Mr. Light indicated that a quorum was present for the meeting.

II. ADOPTION OF THE AGENDA

A motion was made by Mr. Boyd to accept the agenda as presented. This motion was seconded by Mr. Allen and the motion carried unanimously.

III. MINUTES

The Committee Members reviewed the Minutes of the February 20, 2020 Police Officers’ Defined Benefit Administrative Committee Meeting, which were distributed in advance and reviewed by Counsel.

With no changes or modifications, a motion was made by Mr. Boyd to approve the Minutes as presented and the motion was seconded by Mr. Allen. The motion carried unanimously and the Minutes were approved.

IV. ADMINISTRATIVE MANAGERS’ REPORT

Pension Applications

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

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A motion was made by Mr. Boyd and seconded by Mr. Amis to approve service pension application No. 1-6 and 8 as listed on the attached spreadsheet dated February 20, 2020. The motion carried unanimously.

Mr. Boyd noted that Hazardous Duty Pay was included in the pension benefit calculation, which should not have been included. It was determined that there was one retiree on the January pensions for approval list that was also affected by this finding, however, acknowledged after the fact. The Committee noted that the Chief of Police agrees that this should not be part of the benefit calculation. Mr. Light requested that the City of Atlanta provide Zenith with a listing of all Police Officers in this circumstance so that pension calculations could be flagged for proper verification and approval by the Committee. Mr. Allen noted that the pay in question could be properly addressed in a fashion similar to the bi-annual uniform stipend, which is paid at a flat rate. To this, Mr. Amis stated that he would take the lead in working with payroll and Human Resources to provide the listing requested so that the appropriate actions can be taken to properly handle these employees.

The Committee also expressed their concern that once an assignment is completed, the pay is not reverted back to the appropriate amount. Mr. Boyd noted that there are at least four categories of special assignment pay, which include bilingual status, hazardous duty, helicopter assignment and bomb duty.

Following this discussion, Mr. Boyd requested the Committee address Service Pension Application No. 7 in Executive Session. The Committee agreed and proceeded with the review and approval process for the remaining pension applications.

Disability Applications

There were no disability applications for review.

Beneficiary Applications

The Beneficiary Pension Applications on the attached spreadsheet were presented to the Committee for approval.

A motion was made by Mr. Boyd and seconded by Mr. Allen to approve beneficiary pension applications No. 1 and 2 as listed on the attached spreadsheet dated January 23, 2020. The motion carried unanimously.

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Lump Sum Applications

Ms. Harris reported that Lump Sums paid for this period totaled \$54,835.48.

Financial Statement

Ms. Harris reviewed with the Committee the cash financials for the month ending December 31, 2019, which were accepted as informational.

- ***Comparative Balance Sheet*** shows assets at \$1,093,052,714 for the month compared to a year ago of \$927,189,876.
- ***Income Statement*** shows income and expense for the month. Total income for the month at \$10,325,265. Total expenses for the month at \$944,871. Net income for the month is a surplus of \$4,096,749.
- ***Comparative Income Statement*** shows a rolling twelve-month calendar of expenses and income for the period January 2019 through December 2019.
- ***Investment Market/Cost Comparison*** shows a market value for this month as \$1,202,508,410 and the prior month was \$1,186,059,573. The cost value for this month is \$1,084,200,365 and the prior month was \$1,085,904,727.

Invoices for Approval

Ms. Harris reviewed with the Committee the disbursements for February 2020. Ms. Harris reported the check numbers for the period were 502520 through 502532. Ms. Harris advised the Committee that check number 502520 was voided as indicated as the amount to be paid was incorrect. The correct amount (\$117,346.17) and check number (502525) were noted accordingly. Ms. Harris stated that the total disbursement amount is \$246,955.46.

Following a complete review of the disbursements, a ***motion was made by Mr. Boyd and seconded by Mr. Amis to approve the February disbursements. This motion carried unanimously.***

V. ATTORNEY'S REPORT

Pension Overpayments

Mr. Emerson addressed the Committee with regards to updates for the pension overpayments as discussed monthly. Mr. Emerson stated that a letter was received from

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Southern Actuarial with regard to Mr. Pickard and Mr. Hobbs. Mr. Emerson stated that Chuck Carr had calculated the return of contributions of non-pensionable earnings plus interest for each retiree as \$3,718.03 and \$2,020.05 respectively as of April 1, 2020. Mr. Emerson advised the Committee that the method used by Mr. Carr was based on the IRS Section 417(c)(3)(D) segment rate. The rate would utilize the plan year for stability and a look-back period of two months prior to the plan year equivalent to October. As well, relative interest rates in effect for each plan year in question range from 1.17% to 2.72% (2014-2019). Mr. Emerson also advised the Committee that as an additional option to for the retirees could be to have the refund of contributions with interest be offset to account for the overpayments.

Following this discussion, the Committee agreed to keep each of the monthly pensions as calculated and keep this matter on the agenda under old business in March.

Proof of Existence – Death Audit

Mr. Emerson informed the Committee that the final letters had been provided to Zenith for review. Ms. Harris provided the Committee with the most recent list of ‘non-responders’ noting that there were 152 members under 79 and 8 over 80 that had not yet replied to prior requests for confirmation.

The Committee agreed to exhaust all possible options to get back responses from retirees before suspending pension payments. The following action items were addressed related to this matter:

- Zenith to run report to determine if any phone numbers were stored in their recordkeeping system to proactively call retirees
- Mr. Amis to determine if there are any phone numbers on record for any retirees in order to assist in call outs to be done by Zenith
- Mr. Amis to check to see if any medical claims have been processed for any remaining retirees in order to assist with efforts to locate any non-responders
- Zenith to provide the listing with SSN’s intact to assist Mr. Amis with his research

Following this discussion, the Committee agreed that the last list should be reconciled by April 2, 2020 to determine next step responses at the meeting to be held on the 16th of that month.

With no further questions or discussion, the Attorneys’ Report was concluded and accepted as informational.

VI. OLD BUSINESS

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The following Old Business matters were discussed during the Attorney's Report:

**Pension Overpayments
Proof of Existence – Death Audit**

2020 Calendar

Ms. Harris informed the Committee that there were no conflicts with the City Council Calendar as it relates to the ongoing meetings to be held on the 3rd Thursday of every month. With this being said, the Committee requested that a reoccurring invite be sent in order to block off this time and receive timely responses to establish the required quorum. Ms. Harris advised the Committee that she would use the 'TBD' for the meeting locations as this information comes from City Hall. As updates are received on the location, modifications would be made to the applicable invite. Ms. Harris noted that she would continue to work with Mr. Amis to accommodate this ongoing request.

VII. NEW BUSINESS

Gray & Co NT Account Closure

Ms. Harris advised the Committee with regard to the matter discussed last month related to Gray & Co on the unaudited Financial Statement last month. Ms. Harris stated that she had been in contact with Northern Trust and it was determined that the account closure was not completed using the required documentation. Ms. Harris noted that this documentation was presented to the Investment Board for approval on February 19, 2020. Ms. Harris informed the Committee that the appropriate signature execution was received and the required document was transmitted to Northern Trust as required.

COAF – Hardman Johnston ACH request

Ms. Harris informed the Committee that as discussed during the payable review for February related to the voided check, Hardman Johnston had requested future invoice payments be made using EFT Wire Transfer. As the matters of expenses were discussed the Committee agreed to approve the EFT Wire Transfer request from Hardman Johnston. Ms. Harris stated that she would communicate with her Trust Accounting Team to accommodate this request moving forward.

VIII. QUESTIONS AND COMMENTS FROM AUDIENCE

There were no questions and comments from the audience. At 12:45 p.m. *a motion was made by Mr. Boyd to enter into Executive Session to discuss matters of Member*

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Concern and Potential Litigation. This motion was seconded by Mr. Allen and the motion carried with unanimous decision.

At 1:20 p.m. a motion was made by Mr. Boyd to exit Executive Session and return to regular agenda business. This motion was seconded by Mr. Allen and the motion carried with unanimous decision.

A motion was made by Mr. Boyd and seconded by Mr. Amis to approve service pension application No. 7 as listed on the attached spreadsheet dated February 20, 2020. There was one No vote by Mr. Allen and the motion carried by majority vote.

The Committee requested Zenith perform a recalculation of benefits. Ms. Harris noted that this could only be done if the City of Atlanta provided the compensation without the Hazardous Duty Pay that has been requested to be removed. Mr. Amis was requested to provide the compensation as discussed in order to complete this request.

IX. DATE OF NEXT MEETING

The next Police Officers' Pension Committee Meeting is scheduled for March 19, 2020 at 12:00 pm

X. ADJOURNMENT

There being no further business to be brought before the Committee at this time, Chairman Light called for adjournment at 1:21pm.