

CITY OF ATLANTA DEFINED BENEFIT  
ADMINISTRATIVE COMMITTEE  
GENERAL EMPLOYEES' PLAN MEETING  
March 12, 2020  
Committee Room 1 – City Hall  
11:00 A.M. – 12:00 P.M.

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**COMMITTEE MEMBERS PRESENT**

**ALFRED BERRY JR.**  
**ANGELA GREEN**  
**DOUG STRACHAN**  
**JOE HOOD**  
**YOULANDA CARR**  
**LOUIS AMIS**

**Retiree, City of Atlanta**  
**Retiree, City of Atlanta**  
**Active, City of Atlanta**  
**Active, Atlanta Public Schools**  
**CFO – City of Atlanta, Designee**  
**HR – City of Atlanta, Designee**

**OTHERS PRESENT**

As acknowledged on the City of General Employees' Defined Benefit Administrative Committee Meeting Sign-In Sheet for March 12, 2020.

**I. CALL TO ORDER**

Chairman, Mr. Alfred Berry called the meeting to order at 11:06 a.m. in Committee Room 1 at City Hall in Atlanta, Georgia noting that a quorum has been established. Mr. Berry requested that Zenith provide him with a contact number for Mr. Mitchell who was absent due to an impending surgery. Ms. Harris noted that she would have this information provided and it would be captured on the monthly debrief document for follow up as required.

**II. ADOPTION OF THE AGENDA**

*A motion was made by Mr. Strachan to approve the Agenda as presented the motion was seconded by Mr. Amis. The motion unanimously carried and the Agenda was approved.*

**III. MINUTES**

The Committee Members reviewed the Minutes of the March 12, 2020 General Employees' Defined Benefit Administrative Committee Meeting, which were distributed in advance and reviewed by Counsel.

Following this discussion and review, *a motion was made by Mr. Strachan to approve the Minutes. This motion was seconded by Mr. Amis. The Minutes were approved.*

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**IV. ADMINISTRATIVE MANAGERS' REPORT**

**Pension Applications**

Mr. Berry reviewed with the Committee the Service Pension Applications for approval on the attached spreadsheet. Mr. Berry questioned the processing time for pension applications #4, #5, #7 and #9 between the date received for processing and the first effective date of the pension as each of these had a date received in 2019 ranging from October to December. Ms. Harris noted that she would have this information reviewed and it would be captured on the monthly debrief document for follow up as required.

Following this review, a *motion was made Mr. Strachan and seconded by Mr. Amis to approve service pension applications Nos. 1-12 as listed on the attached spreadsheet dated March 12, 2020. The motion to approve was passed unanimously.*

**Service Pension Application Correction**

Ms. Harris reviewed with the Committee the corrections made for Ms. Nellie Smoke and Mr. Gregory Haynes as discussed during the February 13, 2020 application review process. Ms. Harris noted that the corrections were in part due to the newly established process set forth by the City of Atlanta for calculating Lump Sum Vacation Payouts. Ms. Harris pointed the Committee to the notation for the age and years of service columns for reference

Following this review and formal acknowledgment as discussed, a *motion was made Mr. Amis and seconded by Mr. Hood to approve corrected service pension applications Nos. 1-2 as listed on the attached spreadsheet dated March 12, 2020. The motion to approve was passed unanimously.*

**Disability Application**

Ms. Harris noted that there were no Disability Pension Applications.

**Disability Converting to Normal Application**

Ms. Harris informed the Committee that there was 1 Disability Converting to Normal Application on the attached spreadsheet for their information.

Following this review, a *motion was made Mr. Strachan and seconded by Mr. Amis to approve disability converting normal application No. 1 as listed on the attached spreadsheet dated March 12, 2020. The motion to approve was passed unanimously.*

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**Beneficiary Applications**

Ms. Harris reviewed with the Committee the Beneficiary Pension Applications for approval on the attached spreadsheet. Mr. Berry inquired on the date received and effective dates for beneficiary pension application #4 on the spreadsheet. Mr. Berry requested that Ms. Harris review the timing of this application as it related to any potential overpaid pension benefits post mortem. Ms. Harris noted that she would have this information reviewed and it would be captured on the monthly debrief document for follow up as required.

Following this review, a *motion was made Ms. Green and seconded by Mr. Amis to approve beneficiary pension applications No. 1-6 as listed on the attached spreadsheet dated March 12, 2020. The motion to approve was passed unanimously.*

**Lump Sum Applications**

Mr. Berry asked the Committee if there were any questions on the Lump Sum Applications on the attached spreadsheet.

Following this review, and with no further discussion, a *motion was made by Mr. Strachan to accept a review of the Lump Sum Applications as part of relative fiduciary responsibilities. This motion was seconded by Mr. Berry and the motion carried unanimously.*

**Cash Financial Statement**

Mr. Berry asked Ms. Harris if there was a formal breakdown of the miscellaneous expenses on the report. Ms. Harris noted that due to the timing of the bank statements with a customary 45 day lag this information was not available. As well, Ms. Carr acknowledged that all invoices submitted for payment had been reviewed with the applicable backup provided by Zenith and as such all miscellaneous expenses had been verified as required. Ms. Harris noted that the report provided in April would have the full detailed version as previously submitted and reviewed. Mr. Berry requested that moving forward if the full financial report was not ready based on timing of the statements, Zenith omit this report. As such, Ms. Harris confirmed that only full financials would be provided in the future. Ms. Harris noted that she would have this information captured on the monthly debrief document for follow up as required.

Following this discussion, a *motion was made by Mr. Strachan to accept a review of the unaudited financials as presented noting the miscellaneous expenses as presented. This motion was seconded by Mr. Hood. The motion carried with one abstention from Ms. Green.*

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**Payable Listing Check Register**

Ms. Harris reviewed with the Committee the Accounts Payable Check Register dated March 4, 2020. The total disbursement amount is \$193,953.85. Ms. Green asked who Mackay Shields was in reference to check #76284 as she was not aware of this investment manager based on her past involvement as a Trustee on the General Employees' Pension Board. Mr. Berry acknowledged that there had not been any changes made to the portfolio since he has sat on the Pension Investment Board. Ms. Harris stated that this was a MidCap Core Equity Manager and Mr. Strachan confirmed a name change was done May 3, 2017 and the previous name of this manager was Cornerstone.

Following a complete review of the disbursements, a *motion was made by Mr. Amis and seconded by Mr. Strachan to approve the March disbursements. This motion was carried with one abstention from Ms. Green.*

**De-Brief February 13, 2020**

As requested, Ms. Harris informed the Committee that on pages 14-19 of the meeting packet there was a copy of the most up to date listing of 'Action Items' from the February 13, 2020 Committee Meeting. Ms. Harris stated that this report will be updated accordingly as new information is provided until items are completed or finalized.

The following items were discussed inclusive of action/response:

1. *Agenda – Emailed to COAG DB PAC as required in accordance with the bylaws on February 26, 2020.*
2. *Draft Minutes – Final version emailed to COAG DB PAC as required in accordance with the bylaws on March 4, 2020.*
3. *Pension and Lump Sum Calculations – Copies provided to parties of interest as requested on March 3, 2020.*
4. *Fiduciary Liability Policy – Follow up email sent to the COA IB based on most recent responses received from Hartford and Hanover.*
5. *Lee Ramey – Ms. Harris noted that this matter would be removed based on context provided as of February 11, 2020.*
6. *Legal Billing – Ms. Harris noted that this matter would be removed based on context provided as of February 26, 2020.*

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7. *Years of Service (Lump Sum) –Ms. Harris noted that this matter would be removed based on context provided as of March 5, 2020.*
8. *Check Spelling - Ms. Harris noted that this matter would be removed based on context provided as of March 4, 2020.*
9. *Years of Service - Ms. Harris noted that this matter would be removed based on context provided as of March 4, 2020.*
10. *Department Name - Ms. Harris noted that this matter would be removed based on context provided as of March 4, 2020.*
11. *Beneficiary Insurance Deductions – Ms. Harris informed the Committee that as of March 11, 2020 updates had been provided to Mr. Amis with a list of 207 individuals affected. In addition, options were provided for Zenith to recoup the missed deductions in order to make each beneficiary whole inclusive of templated letters per scenario. Mr. Amis advised the Committee that no member was without coverage despite the deductions not being captured properly and he would be communicating with Zenith to confirm next step action response. This matter is being left open until final resolution is gathered.*
12. *SPD – Mr. Emerson advised the Committee that it was his goal to have a draft document ready by June 2020.*
13. *Over/Underpaid Pension –Mr. Emerson noted that he would review additional information during the Attorney’s Report.*
14. *City Physicians – It was reported that as of March 10, 2020 Mr. Amis and his team were in contact with physicians affiliated with several medical associations in the Atlanta area. This matter is being left open until final resolution is gathered.*
15. *City Contributions for July 2019 - Ms. Harris noted that this matter would be removed based on context provided as of February 13, 2020.*
16. *Legal Billing - Ms. Harris noted that this matter would be removed based on context provided as of February 17, 2020.*
17. *Workflow and Record Management Meeting - This matter is being left open until final resolution is gathered.*
18. *Draft SPD - Ms. Harris noted that this matter would be removed based on context provided as of February 13, 2020.*

**2020 Calendar**

Ms. Harris informed the Committee that on page 20 of the meeting packet was a copy of the 2020 meeting calendar for their continued reference. Ms. Harris confirmed that this would be the last time that this item was on the Agenda.

With no additional comments or concerns, Ms. Harris concluded the Administrative Manager’s Report which was accepted as informational.

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**V. ATTORNEY'S REPORT**

**Georgia Open Meetings Act**

Mr. Christie provided thanks to Mr. Emerson for providing information on teleconference meetings in the case of an emergency under the Open Meetings Act as concerns over Covid-19 carried out. Mr. Christie noted that in the event of emergencies teleconference meetings could be approved and held in lieu of meeting in person. Mr. Christie recommended that the bylaws be updated to incorporate this verbiage although it was not required since the Plans operate in accordance with Georgia Law. Mr. Emerson expounded to the fact that part of the provision stated that the public must be given an opportunity to attend the teleconference meeting. Mr. Emerson noted that Zenith is prepared and can accommodate WebEx meetings inclusive of the required Meeting Notices and invitations for the public to attend as required.

**Pension Overpayments**

Mr. Emerson informed the Committee that 60 death overpayment letters had been mailed using both regular U.S.P.S. and certified mail. Out of the 60 there were 13 certified letters returned non-deliverable and 8 returned from regular U.S.P.S. mail. Mr. Emerson noted that the next step would be to use a commercial locator service to locate next of kin. As well, Mr. Emerson advised the Committee that he had received responses from 4 letters stating that the overpaid pension had been repaid by the family. In addition, one family agreed to a payment arrangement to cover \$20,600 split over two incremental installment amounts. As well, there was a request to pay back \$50 per month from one family of a deceased retiree. Mr. Emerson noted that it would take approximately 7 years to recoup that overpayment in full.

Mr. Strachan requested Mr. Emerson provide the Committee with a tracking spreadsheet to report on this matter moving forward.

Mr. Emerson informed the Committee that the next step would be to provide demand letters for the retirees that were still in pay status. In order to do this, Mr. Emerson noted that he would be working with the actuary as formal assumptions had recently been approved on the Investment Board level that would be required for the calculation of any offset in benefits. Mr. Emerson noted that the letters for this group of retirees had been drafted and would be sent once the calculations were finalized and approved.

Mr. Chuck Carr of Southern Actuary addressed the Committee noting that he was presenting on behalf of Ms. Jeanette Cooper of Segal Actuarial who was absent for today's meeting. Mr. Carr stated that there was a joint methodology that he and Ms. Cooper would be recommending for all three of the Pension Plans.

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Mr. Carr stated that it is his understanding that the mortality table and interest rate assumption to be used for determining the joint & survivor annuity options has been approved by the investment board. The mortality table is the unisex table published annually by the IRS for purposes of calculating lump sum distributions pursuant to IRC section 417(e)(3) and the interest rate is the third segment rate plus two percent selected as of the October that precedes the calendar year that contains the annuity starting date. He suggested that, for purposes of determining that amount of the actuarial equivalent reduction that is required for a retiree to re-pay the pension fund for previous overpayments, the administrative board could adopt the same basis for actuarial equivalence. On this basis, the interest rate will be 5.65% per annum for the 2020 calculations. He also explained that he and Ms. Cooper suggest ignoring the automatic cost-of-living adjustments in the future for purposes of the offset and calculating the amount of the offset as a level-dollar single life annuity for the life of the retiree beginning with the June 30, 2020 payment.

It was discussed that, because the offset would cease upon the retiree's death, some retirees will pay back more than their original overpayment and other retirees will pay less, but that this is the nature of an actuarially equivalent offset. In any case, using this methodology the pension fund will be made whole on an actuarial basis.

**GAPPT Conference**

Mr. Emerson informed the Committee that the March GAPPT Conference could possibly be cancelled as concerns over Covid-19. Mr. Emerson stated that there are upcoming discussions with the host hotel and updates are expected to be forthcoming by tomorrow.

**VI. OLD BUSINESS**

There was no old business to discuss.

**VII. NEW BUSINESS**

Ms. Green addressed the Committee over concerns that she had with the global market and the performance of the investments in the Plan. Ms. Green stated that she had been getting quite a few calls from retirees on this matter. Ms. Harris informed Ms. Green that she would provide copies of the Investment Monitor's Report as presented to the Pension Investment Board by Marquette Associates.

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**VIII. QUESTIONS AND COMMENTS FROM AUDIENCE**

There were no Questions and Comments from the Audience.

**IX. DATE OF NEXT MEETING**

Ms. Berry noted that the date of the next meeting was in fact Thursday April 9, 2020 from 11:00am – 12:00pm and not April 22, 2020 as noted on the Agenda. Ms. Harris noted that she would confirm the room location and send out the invitations as customary to all parties of interest.

**X. ADJOURNMENT**

There being no further business to be brought before the Committee at this time, a *motion was made by Mr. Strachan to call for adjournment at 12:10 p.m. This motion was seconded by Ms. Green. The motion passed with unanimous decision and the meeting was adjourned.*