

CITY OF ATLANTA PENSION INVESTMENT  
BOARD SPECIAL CALLED MEETING

JULY 13, 2018

Committee Room 1 – City Hall

3:00 P.M. – 5:00 P.M.

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A meeting of the Board of Trustees of the City of Atlanta Pension Investment Board was held on July 13, 2018 in City Hall, Committee Room 1 Atlanta GA.

**TRUSTEES PRESENT:**

Richard Cox  
John Gaffney  
Joyce Shepard  
JP Matzigkeit

Marian Y. Woods  
Marci Collier Overstreet  
Natalyn Archibong  
Howard Shook

Trustees Not present: Roosevelt R. Council, Frank Sims, Lisa Bracken, John McNeil, Anthony Biello, Angela Green, Dr. Gregory Nash

**OTHERS:**

Patricia D. Harris  
Louis Amos  
Kristen Denius  
Wendy Brown  
Kanyatta Mitchell  
Faris Webb  
William Boyd  
Ken Allen

Theresa Nesbitt  
Sherri Dickerson  
Youlanda Carr  
Ray Adams  
Pamela Goins  
Moshea John Jenis  
Alfred Berry Jr

**I. CALL TO ORDER**

Acting Chairman Richard Cox called the meeting to order at 3:15pm by indicating that there was a quorum present.

**II. ADOPTION OF THE AGENDA**

With no changes or modifications to the Agenda as presented, Mr. Matzigkeit made a *motion to formally adopt the Agenda. This motion was seconded by Mr. Shook and the motion passed with unanimous decision.*

**III. PUBLIC COMMENTS**

Mr. Ken Allen continued to express his concern over the Investment Board acknowledging Mr. Anthony Biello as a trustee. He advised the Board that Mr. Biello has requested on several occasions a formal written notice reinstating his fiduciary responsibilities as a trustee of the board. Mr. Allen stated that Mr. Biello has yet to receive such notification and this can be seen as a potential shortfall of knowledge and experience that the newly formed board could take advantage of while they stabilize the order of business that they are now responsible for.

Mr. Alfred Berry Jr. has concerns about the process of the current ballot and he stated that he would address this during later when Old Business was being discussed.

#### **IV. APPROVAL OF PREVIOUS MEETING MINUTES**

Minutes from June 8, 2018 Special Called Board Meeting were distributed in advance in the meeting package and reviewed again at the meeting.

With no changes or modifications to the Minutes as presented a *motion was made by Mr. Shook and seconded by Mr. Matzigkeit to approve minutes. This motion passed with unanimous decision.*

#### **V. ADMINISTRATIVE MANAGER'S REPORT**

##### **Disability Applications**

- Stanley Williams
- Jeffery Page

Ms. Patricia D. Harris of Zenith American Solutions presented the Board with two disability applications Stanley Williams and Jeffery Page. Handouts were distributed to each trustee detailing the medical condition of each applicant.

*A motion was made by Mr. Matzigkeit and seconded by Mr. Shook to approve the Disability Application for Stanley Williams. This motion passed unanimously.*

*A motion was made by Mr. Howard and seconded by Ms. Shepard to approve the Disability Application for Jeffery Page. This motion passed unanimously.*

#### **VI. ATTORNEY'S REPORT**

##### **Consideration of draft Bylaws**

Ms. Kristen Denius of the City Law Department spoke to the Investment Board about the Bylaws. She stated that the Description of the Regulations with respect to the meeting dates have been left blank until a decision was made by the Board for this ongoing expectation.

*A motion was made by Mr. Cox to defer approval of the Pension Investment Board Bylaws until Chairman Mr. Frank Sims was present. This motion was seconded by Mr. Gaffney. This motion passed unanimously.*

The Board requested that a copy of the Bylaws be available for employees of the City of Atlanta and Ms. Denius indicated that she would work with Ms. Harris (Zenith) in order to facilitate this request and determine the most suitable place for posting them.

##### **Report on existing contracts**

Ms. Kristen Denius informed the Board that with the assistance of Ms. Harris she had gathered the majority of the contracts for professional service providers on all of the pension plans. She indicated that in her research it was determined that each contract contained a clause for a 30 Day Notice or a Letter Agreement that did not require 30 days for grounds of termination. She advised the Board that although some did not require 30 days should any action be needed for termination a 30 Day Notice should be provided in all instances. Ms. Denius informed the Board that she would work on the termination notices and keep them to have in place for future reference.

Ms. Denius also informed the Board that she had prepared a fee schedule report for their reference that included details such as the Types of Services, Term of the Contract, Compensation and Termination Provisions to name a few. The Board inquired if this document was public and Ms. Denius stated that since it was introduced at this meeting it was in fact now part of public record.

## VII. NEW BUSINESS

### **Financial Intuitions – Authorized Signers**

Ms. Harris advised the Board that there are financial intuitions that each of the previous pension boards maintained authorized signers on. These financial intuitions are responsible for administrative funding either commercially or in a custodial capacity for the purpose of paying either benefits and/or operating expenses as well as maintaining assets held in the Fund portfolios. Ms. Harris informed the Board the current authorized signers listed with both Wells Fargo and Northern Trust are named as the former interim HR Commissioner – Ms. Sherri Dickerson and the former interim CFO – Mr. John Gaffney. As the Board has evolved, those two roles have been filled by Ms. Marian L. Wood and Mr. Roosevelt R. Council respectively.

*A motion was made by Ms. Archibong to allow the new HR Commissioner Ms. Marian Y. Woods and the new CFO Mr. Roosevelt R. Council to act as Authorized Signers for the individual financial institutions. This motion was seconded by Ms. Collier Overstreet. This motion passed unanimously.*

There was a robust conversation with the Board, Ms. Denius, Mr. Amos and Ms. Harris on the roles and expectations of the Authorized Signers coupled with their respective plans in a functional capacity. Following this discussion, *a motion was made by Ms. Archibong to withdraw her previous motion as presented. This motion was seconded by Ms. Shepard. This motion passed unanimously.*

*A motion was made by Mr. Cox to incorporate the position and delegation of the Authorized Signers into the bylaws and continue to allow the existing Signers (Interim HR Commissioner Sherri Dickerson and Interim CFO John Gaffney) to act in this capacity until the bylaws were approved. This motion was seconded by Ms. Archibong. The motion passed unanimously.*

## VIII. OLD BUSINESS

### **Pension Investment Board Election Status**

Mr. Louis Amos of the City of Atlanta Pension Department addressed with the Board the status of the elections being held for the Pension Investment Board representing the Firefighters Pension Plan, Police Officers Pension Plan and the General Employees' Pension Plan. Mr. Amos advised the Board that he had consulted with the Fulton County Board of Elections for guidance on the proper protocol for addressing concerns that he was aware of. With consideration given in this manner, Mr. Amos informed the Board that the election for the General Employees' Pension Plan would be extended to July 27, 2018 in order to allow proper handling for Ballots and notifications to be sent to the employees. As well as affording them an additional week to have their votes cast.

It was acknowledged that there had been two candidates to drop out of the election formally after the Ballots had already been mailed. Ms. Archibong inquired on the extension be given to allow additional candidates to present their interest to run for the election. Mr. Amos confirmed that although the ballots and timing were in question, the population for which the candidacy window was originally extended to had not changed and as such this would be reopened since ample and required time was allocated for this purpose.

## **Callan LLC – Contract Proposal**

Mr. Cox advised the Board that he had received a proposal from Callan LLC to address the concern over their June 30, 2018 termination date. On page 8 of the meeting materials Mr. Cox reviewed the following two options as provided by Callan LLC inclusive of a Scope of Services and Cost Estimates:

### **Option I: 6-Month Extension**

**Pension Fund(s):** Atlanta General Employees' Pension Fund.

**Scope of Service(s):** Callan will monitor the Atlanta General Employees' Pension Fund's external investment managers and provide quarterly performance measurement for a six-month period between July 1, 2018 and December 31, 2018.

**Cost Estimate:** \$108,788 total (prorated according to Callan's existing \$217,575 annual retainer).

### **Option II: 12-Month Interim Engagement**

**Pension Fund(s):** Atlanta General Employees' Pension Fund, Atlanta Firefighters' Pension Fund, and Atlanta Police Officers' Pension Fund.

**Scope of Service(s):** Callan will provide fiduciary training and education related to improved governance, strategic planning, plan implementation, and monitoring and evaluation of investment performance for all three pension funds for a twelve-month period between July 1, 2018 and June 30, 2019.

**Cost Estimate:** 10% discount to aggregate investment consultant fees (Callan, Marquette and Consequent).

The Board explored the options provided and engaged in a concrete dialogue focusing on fees, timing and the ongoing needs of the Board for the pension plans. In addition, Mr. Cox expressed the City's position related to the Investment Consultant for the Defined Contribution Management Committee 401(a) Plan. He noted that there has been difficulty in obtaining suitable candidates to fulfill that role for that plan. With this being said, Mr. Cox informed the Board that the Defined Contribution Plan had made and passed a motion to offer an authorized the Pension Investment Board join them in their efforts to obtain an Investment Consultant.

*Following this discussion a motion was made by Mr. Cox to accept Option 1 as presented by Callan LLC. This motion was seconded by Ms. Archibong. This motion passed with unanimous decision.*

*A motion was made by Ms. Archibong to issue a joint RFP for the role of Investment Consultant for both the Defined Benefit and Defined Contribution Plans as proposed. This motion was seconded by Mr. Shook. The motion passed with unanimous decision.*

## **IX. QUESTIONS AND COMMENTS FROM AUDIENCE**

Mr. William 'Bill' Boyd addressed his concerns with the Board over the timing and expectations

of the realignment as it related to planning and engaging in the normal order of business for the pension plans. Ms. Denius stated that the realignment would be done as quickly as possible after recess had concluded for City Council. Ms. Denius also noted that the Board could make a non-binding recommendation to have the Investment Board Meetings on a quarterly basis while the Administrative Committees could meet monthly. She noted that this timing would be appropriate based on the nature of business for each of the respective entities.

Mr. Ken Allen addressed his concerns with the Board making decisions and not having the level of knowledge and experience needed. Mr. Allen reiterated his statements earlier regarding Mr. Tony Biello being appointed as an interim representative to the Board on behalf of the Police Officers Pension Plan and the lack of response from the Investment Board to fulfill his request for formal reinstatement.

**X. DATE OF NEXT MEETING**



*A motion was made by Mr. Cox to defer setting a meeting date until further notice. This motion was seconded by Ms. Collier Overstreet. The motion passed unanimously.*

**XI. AJOURNMENT**

*A motion was made by Ms. Shepard to call for adjournment at 4:04pm. This motion was seconded by Ms. Collier Overstreet. The motion passed unanimously.*

Respectfully submitted:

  
Frank Sims, Chairman

  
Richard Cox, Vice Chairman  
Roosevelt  
Council  
CFO 

RECEIVED

SEP 27 2018

ZENITH AMERICAN SOLUTIONS