

**CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING**

March 17, 2021

Webex Teleconference
10:00 A.M. – 12:00 P.M.

BOARD MEMBERS PRESENT

FRANK SIMS	Chairman
NATALYN ARCHIBONG	Councilmember, City of Atlanta
MARCI COLLIER OVERSTREET	Councilmember, City of Atlanta
REGGIE GRANT	Appointee, City of Atlanta
BRENT HULLENDER	Fire, City of Atlanta
ALFRED BERRY, JR.	General, City of Atlanta
RICK 'BUD' LIGHT	Police, City of Atlanta
QUENTIN HUTCHINS	APS, City of Atlanta
ROOSEVELT COUNCIL	Chief Financial Officer, City of Atlanta
JEFFREY NORMAN	HR Commissioner, City of Atlanta

OTHERS PRESENT

MARY SHAH	Strategic Benefits Advisors
STEPHANIE ATLI	Strategic Benefits Advisors
LORI POCOCK	Strategic Benefits Advisors
CARL CHRISTIE	City of Atlanta Law
ALICIA THOMPSON	City of Atlanta Law
LOUIS AMIS	HR, City of Atlanta
KWEKU OBED	Marquette Associates
ED EMERSON	Morris, Manning and Martin
JEANETTE COOPER	Segal
CHUCK CARR	Southern Actuarial Associates
JAMIE HELMS	Deloitte
MICHAEL DELEON	Deloitte
STEPHANIE ROBERTS	Garcia Hamilton
BENJAMIN HYMES	Legato
KRISTEN PHALEN	Intercontinental
LAUREL HILL	Wells Fargo
STEVEN FELDMEN	Blackrock
ADAM PERSIANI	Pharos Funds
BRIGID SCHUTSKY	Blackrock
LINSEY SALEINI	Financial Times
JOSEPH MCLANE	
DEREK BATTIS	
JODY MARTIN	

I. CALL TO ORDER

Mr. Brent Hullender called the Webex teleconference meeting to order at 10:03 a.m. for Chairman Sims. Mr. Hullender noted that a quorum was present for the meeting. It was noted Investment Managers were in attendance.

II. ADOPTION OF THE AGENDA

Mr. Hullender asked if there were any changes to the agenda.

A motion was made by Ms. Archibong to approve the Agenda as presented. The motion was seconded by Mr. Grant. The motion unanimously carried and the Agenda was approved.

III. PUBLIC COMMENT

Mr. Hullender asked if there were any public comments. It was noted no public comments were made.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

Chairman Sims rejoined the call and the Board reviewed the Minutes of the February 17, 2021 meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the February 17, 2021 minutes, a motion was made by Mr. Berry to approve the Minutes with minor changes. The motion was seconded by Mr. Hutchins. The motion was unanimously carried and approved.

Ms. Archibong asked how the meeting notices were made available and Ms. Shah informed the Board that Ms. Payne had made sure the notices were published on the appropriate calendars and the publication included the meeting dates.

V. ATTORNEY'S REPORT

Chairman Sims rejoined the meeting and called for the attorney's report.

Mr. Emerson provided an update on the contract with Iron Mountain to scan participant files. Chairman Sims corresponded with Iron Mountain to see if it was possible to piggyback the Statement of Work (SOW) with the City's contract. This was not possible so a separate contract is being drawn up for the Investment Board with the same pricing the City has. The contract has been returned to Iron Mountain with comments and revisions to make the agreement consistent with the current contract with the City, and is with Iron Mountain's legal department. Chairman Sims asked Mr. Emerson to convey to Iron Mountain in writing that the City would hold them liable for any incremental cost to bear.

Mr. Christie provided an update on two items. The first was that the pension appeals legislation discussed in the last meeting has been approved and signed. The second was that Warren Pickard has appealed his recommendation from the Appeals Board to the Superior Court, and the City Law Office has filed a motion for dismissal of the case. Chairman Sims asked if this was one of the appeals where the issue was due to the prior recordkeeper and asked if the City was going to hold them liable. He asked for clarification on who will own this issue and what the next steps will be. Mr. Christie will meet with Mr. Emerson to determine a plan of action.

Mr. Berry asked the Board who monitors the third-party administrator contracts and Mr. Hullender replied that Mr. Emerson reviews the contracts and that the administrators report to the Board. Mr. Emerson added that it is the duty of the Board as a whole to monitor service providers through their services each month for the Investment Board as well as the individual Administrative Committees. Mr. Berry expressed concern that expenses that were spread across the three plans were not being adequately reviewed. Chairman Sims agreed that there needs to be additional review by the City when costs are allocated across the different pension funds and there should be a point person to work with the committees to monitor on a monthly or quarterly basis. Mr. Council suggested that finance and HR work together to report on all financial activity and he will find a person who can address questions on cost.

VI. INVESTMENT CONSULTANT REPORT – Marquette Associates

Mr. Obed walked through the market environment and performance for the three plans. Fixed income had been up about 7.5% in 2020 due to interest rates going to record lows, but has seen mean inversion in 2021. Ten-year yields have gone up in the month of February but that meant the fixed income funds lost value during that month.

Fixed income: the deflation trade ramps up

Long rates rose in long Treasury bond selloff reminiscent of 2013 Taper Tantrum amidst rise in vaccinations, decline in cases, and \$1.9T stimulus

		Month (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Blm BC Aggregate	-1.4	-2.0	-2.2	1.4	5.3	3.6	3.6
Intermediate Indices	Blm BC Int. Gov./Credit	-0.8	-0.9	-1.1	2.4	4.8	3.1	3.0
Government Only Indices	Blm BC Long Gov.	-5.5	-9.9	-8.9	-5.9	8.7	4.2	6.8
	Blm BC Int. Gov.	-0.8	-1.0	-1.1	1.5	4.2	2.3	2.3
	Blm BC 1-3 Year Gov.	-0.1	0.0	0.0	1.7	2.9	1.8	1.3
	Blm BC U.S. TIPS	-1.6	-0.2	-1.3	5.9	6.1	4.3	3.6
Credit Indices	Blm BC U.S. Long Credit	-3.3	-5.4	-5.8	0.6	8.8	8.3	7.5
	Blm BC High Yield	0.4	2.6	0.7	9.4	6.6	9.0	6.5
	CS Leveraged Loan Index	0.7	3.3	2.0	5.7	4.2	5.9	4.4
Securitized Bond Indices	Blm BC MBS	-0.7	-0.4	-0.6	1.5	4.2	2.6	2.9
	Blm BC ABS	-0.1	0.2	0.0	2.6	3.8	2.6	2.5
	Blm BC CMBS	-1.2	-0.5	-1.2	2.2	5.8	4.0	4.0
Non-U.S. Indices	Blm BC Global Aggregate Hedged	-1.6	-1.8	-2.1	0.3	4.8	3.6	4.0
	JPM EMBI Global Diversified	-2.6	-1.8	-3.6	0.9	4.5	5.9	5.9
	JPM GBI-EM Global Diversified	-2.7	-0.4	-3.7	3.7	0.6	5.5	1.1
Municipal Indices	Blm BC Municipal 5 Year	-1.1	-0.4	-0.8	1.7	3.7	2.4	2.9
	Blm BC HY Municipal	-1.1	2.9	1.0	1.3	7.4	6.4	7.0

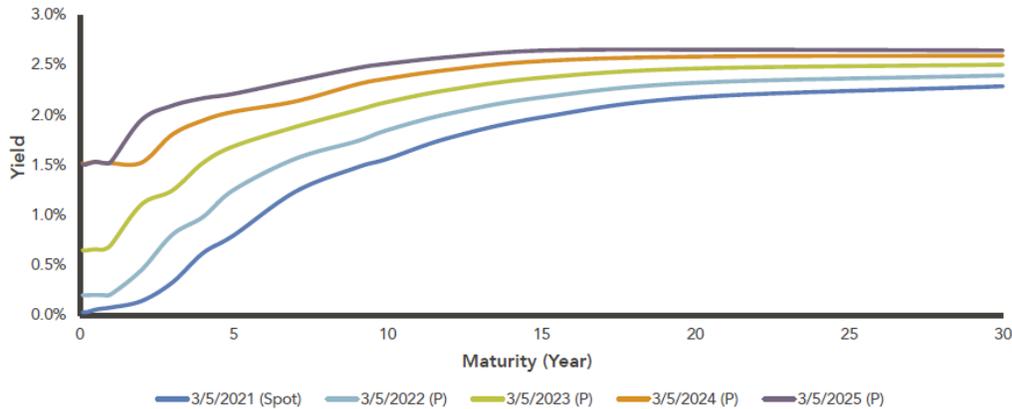
Note: The local currency GBI index is hedged and denominated in U.S. dollars. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of February 28, 2021

We expect to see a normalization of yields and see interest rates rise in the next couple years.

Interest rate expectations

10-year U.S. Treasury yield, risen from about 0.90% at the beginning of the year to about 1.50% today, projected to continue to rise to 2.50% over the next four years

Projected Treasury Forward Curves, Next Four Years



Sources: Marquette Research, Bloomberg, U.S. Treasury

For Equities, there has been mean reversion with the dominant rebound led by the value component of the market. Previously the Growth component dominated over a number of years. For the month of February, value outperformed growth indices, but when you look at the 10-year average, growth is the top performer.

Value indices lead growth counterparts in February

U.S. equity index returns

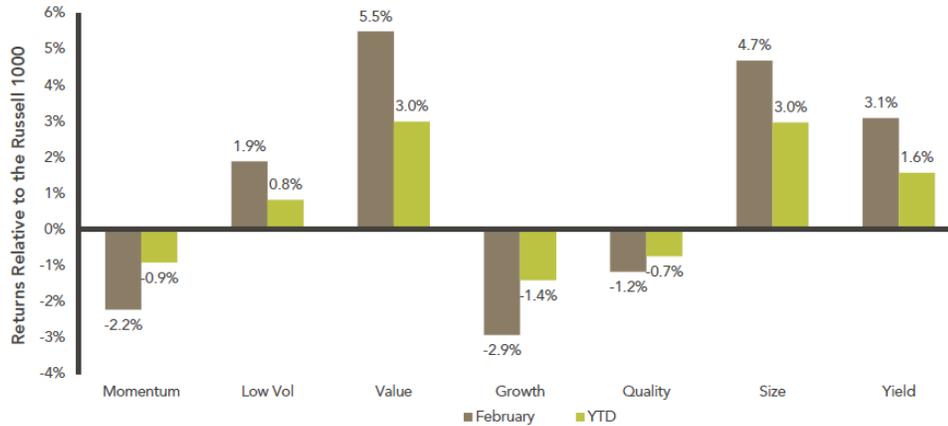
	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Broad Market Indices							
Dow Jones	3.4	4.9	1.4	24.4	9.8	16.1	12.5
Wilshire 5000	3.1	7.3	2.7	35.2	15.0	17.5	13.5
Russell 3000	3.1	7.3	2.7	35.3	15.0	17.4	13.4
Large-Cap Market Indices							
S&P 500	2.8	5.6	1.7	31.3	14.1	16.8	13.4
Russell 1000	2.9	6.4	2.1	34.3	15.0	17.4	13.6
Russell 1000 Value	6.0	9.1	5.1	22.2	8.2	12.0	10.4
Russell 1000 Growth	0.0	3.8	-0.8	44.3	21.0	22.2	16.4
Mid-Cap Market Indices							
Russell Mid-Cap	5.6	10.2	5.3	36.1	13.7	15.9	12.3
Russell Mid-Cap Value	7.7	12.5	7.5	27.7	8.9	12.4	10.7
Russell Mid-Cap Growth	1.7	6.2	1.4	46.3	20.1	20.5	14.5
Small-Cap Market Indices							
Russell 2000	6.2	21.2	11.6	51.0	14.9	17.9	11.9
Russell 2000 Value	9.4	24.3	15.2	41.1	10.1	14.2	9.7
Russell 2000 Growth	3.3	18.4	8.3	58.9	18.9	21.1	13.8

Source: Morningstar Direct as of February 28, 2021

The next slide sums up factors driving returns in 2021 and you can see that market cap, yield and value have all been determinants and attributes of out-performance.

Size and value factors continue to lead in 2021

Factor performance



Source: Bloomberg as of February 28, 2021

The international markets had good results for February. Emerging markets had a strong run in 2020 so with mean reversion there was a slight drop compared to prior periods. International small cap and developing markets have held up well.

Strong start to 2021

Developed markets rebound from a negative January and outperform emerging markets in February

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
MSCI ACWI	2.3	6.6	1.9	30.2	10.3	14.2	8.9
MSCI ACWI ex. U.S.	2.0	7.7	2.2	26.2	5.4	11.2	4.8
MSCI EAFE	2.2	5.9	1.2	22.5	4.6	9.7	5.0
MSCI EAFE Local	2.6	4.7	2.2	13.5	4.5	8.3	6.6
MSCI Emerging Markets	0.8	11.5	3.9	36.0	6.4	15.2	4.4
MSCI EM Local	1.0	11.2	4.9	34.3	8.9	14.9	7.5
MSCI EAFE Small-Cap	2.6	9.2	2.3	31.2	5.2	11.7	7.8
MSCI EM Small-Cap	6.0	14.2	6.0	41.8	4.2	11.4	3.6
MSCI Frontier	0.1	6.3	0.5	8.4	-1.2	7.2	4.0

Source: eVestment as of February 28, 2021

Mr. Obed reviewed the below individual plan details.

Performance Overview - General Employees' Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of February 28, 2021. The plan was up fiscal YTD 22.9%.

COA General

MTD Performance (as of 2/28/2021)

Total Fund Composite: 2.5%
 Total Fund Policy Benchmark: 2.1%

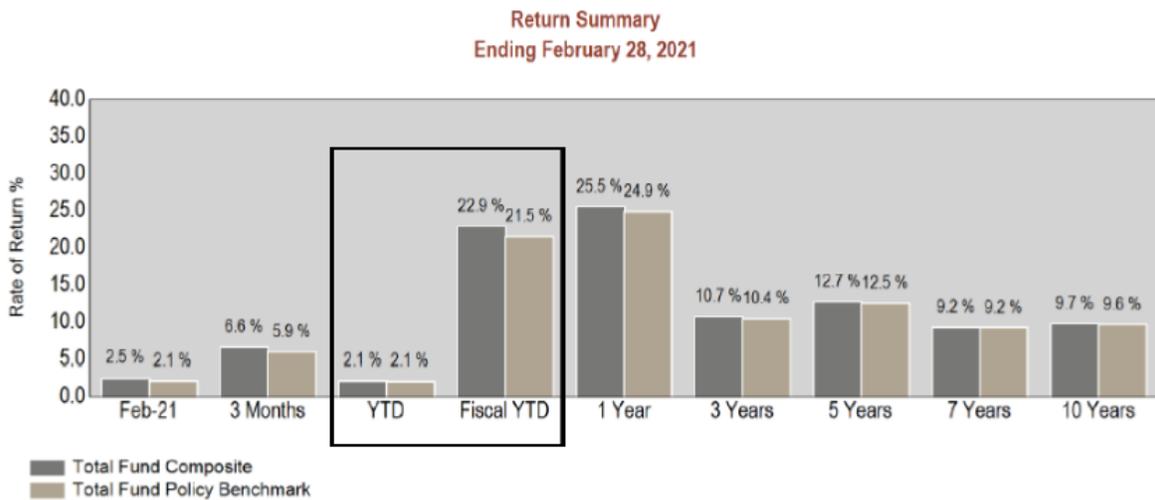
FYTD Performance (as of 2/28/2021)

Total Fund Composite: 22.9%
 Total Fund Policy Benchmark: 21.5%

YTD Performance (as of 2/28/2021)

Total Fund Composite: 2.1%
 Total Fund Policy Benchmark: 2.1%

COA General Employees' YTD Performance (Net of Fees)



- U.S. Equity, International Equity and Emerging Markets Equity composites added value to the Plan
- Fixed Income and Global Equity composites detracted from the benchmark

* Year-to-date performance as of February 28, 2021

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers. Channing Capital,

one of the Value managers led the way along with Earnest Capital. On the bottom were Union Heritage and Hardman Johnston, but no action is recommended at this time.

COA General Employees' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Channing Capital	+13.7%	+9.4%	U.S. Equity
Earnest Partners SCC	+7.8%	+6.2%	U.S. Equity
Legato	+7.4%	+3.3%	U.S. Equity
Artisan Partners	+6.2%	+2.2%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Union Heritage LCC	+1.1%	+2.8%	U.S. Equity
Hardman Johnston	+0.6%	+2.0%	International Equity

* Year-to-date performance as of February 28, 2021

The next slide shows how the fund gain and lose over different periods during the year. The performance reports have greater detail for specific managers and at this time, no changes are recommended for managers. We may discuss additions in 2Q 2021.

COA General Employees' – Manager Excess Performance

	Benchmark	Ending February 28, 2021	
		3 Mo Perf vs Benchmark	6 Mo Perf vs Benchmark
Total Fund Composite	Total Fund Policy Benchmark	0.7%	1.5%
Fixed Income Composite	BBgBarc US Aggregate TR	-0.2%	-0.1%
Mesirow	BBgBarc US Aggregate TR	-0.5%	-0.3%
Garcia Hamilton	BBgBarc US Aggregate TR	0.0%	0.1%
State Street U.S. Aggregate Bond Index SL Fund	BBgBarc US Aggregate TR	0.0%	0.1%
U.S. Equity Composite	Russell 3000	2.2%	4.6%
Large Cap Composite	S&P 500	-1.2%	-1.8%
Union Heritage Large Cap Core	S&P 500	-3.4%	-4.4%
BlackRock S&P 500 Equity Index Fund	S&P 500	0.1%	0.1%
Mid Cap Composite	S&P 400 MidCap	0.0%	0.0%
BlackRock MidCap Equity Index	S&P 400 MidCap	0.0%	0.0%
Small Cap Composite	Russell 2000	-0.8%	1.1%
Channing Capital Management	Russell 2000 Value	-2.9%	-0.2%
Earnest Partners SCC	Russell 2000	-3.5%	-1.6%
Legato	Russell 2000 Growth	7.2%	8.6%
Essex	Russell 2000 Growth	20.5%	24.0%
Bridge City	Russell 2000 Growth	1.0%	1.4%
Lebenthal Lisanti	Russell 2000 Growth	1.3%	2.2%
International Equity Composite	MSCI EAFE	3.7%	8.8%
Artisan Partners International Value Fund (APHKX)	MSCI EAFE	7.0%	10.5%
Hardman Johnston	MSCI ACWI ex USA	-0.2%	5.3%
Emerging Markets Equity Composite	MSCI Emerging Markets	2.8%	9.4%
Earnest Partners EM	MSCI Emerging Markets	2.8%	9.4%
Global Equity Composite	MSCI ACWI	-2.8%	-6.0%
Global Tactical ETF	Global Benchmark	-1.0%	-3.0%
BlackRock MSCI ACWI Min Volatility Index	MSCI ACWI Minimum Volatility Index	0.1%	0.2%
Real Estate Composite	NFI	-0.6%	-1.0%
Intercontinental U.S. Real Estate	NFI	0.1%	0.0%
JP Morgan U.S. Real Estate	NFI	-1.6%	-2.5%

Performance Overview – Police Officers’ Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of February 28, 2021. The plan was up for the month compared to the benchmark, and up 24.9% FYTD compared to a 24.0% benchmark. Both US and non-US funds were strong performers. While Fixed income funds were a detractor, they are a conservative asset to protect the portfolio.

COA Police

MTD Performance (as of 2/28/2021)

Total Fund Composite: 3.0%

Total Fund Policy Benchmark: 2.6%

FYTD Performance (as of 2/28/2021)

Total Fund Composite: 24.9%

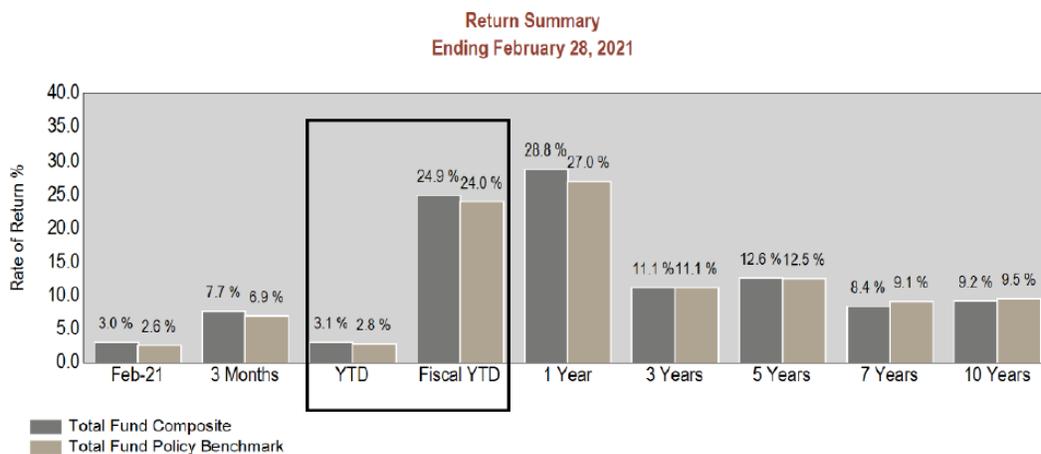
Total Fund Policy Benchmark: 24.0%

YTD Performance (as of 2/28/2021)

Total Fund Composite: 3.1%

Total Fund Policy Benchmark: 2.8%

COA Police Officers’ YTD Performance (Net of Fees)



- U.S. Equity and International Equity composites added value to the Plan
- Fixed Income composite detracted from the benchmark

* Year-to-date performance as of February 28, 2021

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers.

COA Police Officers' Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Macquarie SCC	+9.1%	+6.2%	U.S. Equity
Artisan Partners	+6.2%	+2.2%	International Equity

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Hardman Johnston	+0.6%	+2.0%	International Equity

* Year-to-date performance as of February 28, 2021

Looking over the past 3 months, Mr. Obed noted that Macquarie has shown good results at the 1- and 3-month marks. He also noted that LMCG has had an organizational change with the technical analyst leaving the team. When there is a change like this, Marquette will monitor the fund closely for the next 6 months, but no action is recommended at this time. LMCG came to Marquette to inform them of the change and is actively looking for a replacement.

COA Police Officers' – Manager Excess Performance

		Ending February 28, 2021	
Benchmark		3 Mo Perf vs Benchmark	6 Mo Perf vs Benchmark
Total Fund Composite	Total Fund Policy Benchmark	0.8%	1.1%
Fixed Income Composite	Fixed Income Composite Blended Benchmark	-0.5%	-0.4%
Mesirow	BBgBarc US Aggregate TR	-0.5%	-0.3%
Garcia Hamilton	BBgBarc US Govt/Credit Int TR	-0.2%	-0.3%
BlackRock U.S.Aggregate Bond Index	BBgBarc US Aggregate TR	0.0%	0.1%
U.S. Equity Composite	Domestic Equity Composite Blended Benchmark	1.0%	1.0%
BlackRock Russell 1000 Index Fund	Russell 1000	0.0%	0.0%
BlackRock Mid Cap Equity Index Fund	S&P 400 MidCap	0.0%	0.0%
Macquarie SCC	Russell 2000	-2.2%	-5.1%
LMCG Investments SCG	Russell 2000 Growth	-4.2%	-7.1%
International Equity Composite	International Equity Composite Blended Benchmark	2.3%	6.2%
Artisan International Large Cap Value (APHKX)	MSCI EAFE	7.0%	10.5%
Hardman Johnston	MSCI ACWI ex USA	-0.3%	5.3%
BlackRock MSCI EAFE Small Cap Index	MSCI EAFE Small Cap	0.0%	0.1%
BlackRock Emerging Markets Free Fund	MSCI Emerging Markets	-0.2%	-0.3%
BlackRock MSCI ACWI Min Volatility Index	MSCI ACWI Minimum Volatility Index	0.1%	0.2%
Alternative Composite	S&P 500 + 3%	-8.3%	-8.3%
Intercontinental U.S. Real Estate	NFI	0.1%	0.0%

Performance Overview – Fire Fighters' Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of February 28, 2021. The plan was flat for the month compared to the benchmark, and up 24.8 % FYTD compared to a 24.1% benchmark

COA Fire

MTD Performance (as of 2/28/2021)

Total Fund Composite: 2.5%

Total Fund Policy Benchmark: 2.7%

FYTD Performance (as of 2/28/2021)

Total Fund Composite: 24.8%

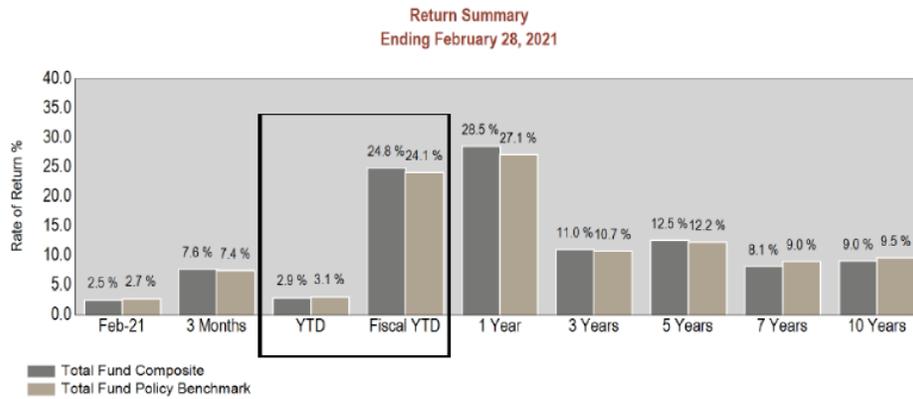
Total Fund Policy Benchmark: 24.1%

YTD Performance (as of 2/28/2021)

Total Fund Composite: 2.9%

Total Fund Policy Benchmark: 3.1%

COA Firefighters' YTD Performance (Net of Fees)



- Fixed Income, U.S. Small-Cap and International Equity composites detracted from the benchmark
- U.S. Large-Cap and U.S. Mid-Cap composites matched the benchmark

* Year-to-date performance as of February 28, 2021

Mr. Obed reviewed with the Board the Bottom Performers for the plan and said no action was recommended at this time.

COA Firefighters' Manager Contribution – YTD Performance

Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Ativo Capital	+0.6%	+2.0%	International Equity
Hardman Johnston	+0.6%	+2.0%	International Equity

Mr. Obed highlighted that Hardman Johnston had good returns over the past 6 months.

COA Firefighters' – Manager Excess Performance

		Ending February 28, 2021	
	Benchmark	3 Mo Perf vs Benchmark	6 Mo Perf vs Benchmark
Total Fund Composite	Total Fund Policy Benchmark	0.2%	0.5%
Fixed Income Composite	Fixed Income Composite Custom Benchmark	-0.3%	-0.2%
Garcia Hamilton	BBgBarc US Aggregate TR	0.0%	-0.1%
Mesirow	BBgBarc US Aggregate TR	-0.5%	-0.3%
U.S. Equity Composite	Russell 3000	4.5%	9.0%
Northern Trust Russell 3000 Index Fund	Russell 3000	0.0%	0.0%
Large Cap Composite	Russell 1000	0.0%	0.0%
BlackRock 1000 Index Fund	Russell 1000	0.0%	0.0%
Mid Cap Composite	S&P 400 MidCap	0.0%	0.0%
BlackRock Mid Cap Equity Index Fund	S&P 400 MidCap	0.0%	0.0%
Small Cap Composite	Russell 2000	-2.4%	-4.1%
LMCG Investments SCG	Russell 2000 Growth	-4.2%	-7.1%
Northern Trust Collective Russell 2000 Index	Russell 2000	0.0%	0.0%
International Equity Composite	International Equity Composite Custom Benchmark	-0.5%	0.4%
Ativo Capital	MSCI ACWI ex USA	-1.5%	-6.8%
Hardman Johnston	MSCI ACWI ex USA	-0.3%	5.3%
BlackRock MSCI EAFE Small Cap	MSCI EAFE Small Cap	0.0%	0.1%
BlackRock Emerging Markets Free Fund	MSCI Emerging Markets	-0.2%	-0.3%
BlackRock MSCI ACWI Min Volatility Index	MSCI ACWI Minimum Volatility Index	0.1%	0.2%

VII. NEW BUSINESS

Actuary Presentation on Experience Review Results

Jeanette Cooper from Segal presented the experience review results for City of Atlanta's pension plans. The last study was completed in 2017 covering the 5- year period ending June 30, 2016. This study covers the 5 years of experience from July 1, 2014 through June 30, 2019. Ms. Cooper presented the General Plan experience and recommendations in detail and then presented any differences in observations and recommendations for Police Officers', Firefighters', and Board of Education (APS) Pension Funds.

General Employees' Pension Fund

Ms. Cooper highlighted the assumptions and methods that changed during the last study on page 7 of her presentation. She then presented the experience gains and losses of the plans during the 5 years covered in the study. She summarized the following findings (pages 9 through 11) from the study for the General Plan:

- Impact of changes shown assuming changes adopted with the July 1, 2019 valuation and on a budgeted basis assuming changes adopted with the July 1, 2020 valuation.
- Mortality experience in total was close to expected but assumptions updated to more recently published mortality table and improvement scale.
- Funding interest rates continue to trend down. Recommendation is to lower the rate but to allow the City to phase this in over the next few years to accommodate budget concerns.
- Salary increases at younger ages were lower than expected with recommendation to reflect this experience.
- Recommended assumptions result in cost increases with the increase more modest under a higher investment return assumption.
- Using 2019 valuation results, the actuarial accrued liability increase ranges from a \$12.6 million increase (0.7%) to an \$86.2 million increase (4.6%) while the recommended contributions increase ranges from \$0.4 million (0.8%) to \$6.1 million (12.4%).

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Healthy Retiree & Beneficiary of Living Retiree Mortality	Approximate sex-distinct RP-2006 Blue Collar Healthy Annuitant Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table, with rates increased 15%
Contingent Beneficiary Mortality	No separate assumption, used healthy retiree and dependent spouse mortality	Sex-distinct Pri-2012 Blue Collar Healthy Contingent Survivor Amount-weighted Mortality Table, with rates increased 15%
Disabled Life Mortality	Approximate sex-distinct RP-2006 Disabled Retiree Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table, with rates increased 15%
Pre-Retirement Mortality	Approximate sex-distinct RP-2006 Blue Collar Employee Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Employee Amount-weighted Mortality Table, with rates increased 15%
Mortality Improvement	Projected generationally with sex-distinct improvement rates under the 2016 OASDI Trustees Report used for the intermediate alternative	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2020 scale
Inflation	2.25%	No change
Investment Return	7.25%	6.75% or 7.00% with option to phase into the new rate over the next few years (7.125% for 2020 valuation and 7.00% thereafter)
Payroll Growth	3.00%	No change
Salary Scale	Age-based unisex salary scale grading down from 14.75% to an ultimate rate of 3.00%	Age-based unisex salary scale grading down from 10.00% to an ultimate rate of 3.00%

Summary of Proposed Assumption and Method Changes¹

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Administrative Expenses	\$1,200,000 per year, projected annually from 2017 with 2.25% inflation (\$1,254,607 as of July 1, 2019)	No change
Cost-of-Living Adjustment (COLA)	2.25% compounded annually post-retirement if not in 2011 Plan 1.00% compounded annually post-retirement if in 2011 Plan	No change
Cost Method	Traditional Entry Age	No change
Amortization Method	Single base; level percentage of payroll method; closed period reset to 30 years as of July 1, 2010; 21 years remaining as of July 1, 2019	Reset base to 21 years as of July 1, 2020 to be consistent with Police and Fire; once base goes below 20 years (July 1, 2022 valuation) or 15 years (July 1, 2027), consider adding a separate new base each year with a 20-year or 15-year amortization period
Asset Method	5-year straight-line amortization of each year's market investment gain or loss with the resulting smoothed value subject to a 20% corridor around market value	No change
Timing Adjustment on Employer Contributions	Increased by ½ year of assumed investment return and one year of assumed payroll growth	No change

During Deloitte’s review of the actuarial valuations, they recommended using uniform amortization periods across the pension plans. For the General Plan, this meant extending the amortization period by a year. Something to consider in the future is that once the amortization period gets to less than 15 to 20 years, volatility may become an issue and the City may want to consider adding a new amortization base.

Mr. Berry asked why the study was being done now after 3 years. It had previously been 5 years. Ms. Cooper responded that industry best practice is to complete an experience study every 3 to 5 years. The Ordinance specifically mentions every 3 years.

Ms. Cooper then presented the impact of the proposed assumption and method changes on the plan’s funded status and City’s contributions.

Impact of Proposed Assumption and Method Changes

The following chart provides the estimated impact of the assumption and method changes, based on the July 1, 2019 valuation results; changes will be implemented with the July 1, 2020 valuation.

Description	(A) July 1, 2019 Valuation Results	(B) Recommended Mortality Assumption Change Only	(C) Recommended Mortality and Economic Assumption Changes with 6.75% Discount Rate	(D) Recommended Mortality and Economic Assumption Changes with 7.00% Discount Rate	(E) Recommended Mortality and Economic Assumption Changes with 7.125% Discount Rate
Actuarial Accrued Liability (AAL)	\$1,893,072,902	\$1,878,773,822	\$1,979,250,099	\$1,929,684,762	\$1,905,683,080
Actuarial Value of Assets (AVA)	<u>1,314,030,198</u>	<u>1,314,030,198</u>	<u>1,314,030,198</u>	<u>1,314,030,198</u>	<u>1,314,030,198</u>
Unfunded Actuarial Accrued Liability (UAAL) [(1) - (2)]	579,042,704	564,743,624	665,219,901	615,654,564	591,652,882
Employer Normal Cost	5,614,266	5,550,560	7,267,073	6,082,165	5,521,442
Payment on UAAL	40,100,759	39,110,497	44,250,479	41,791,388	40,567,276
Total Recommended Contribution adjusted for Timing [(4) + (5) + Interest]	\$48,763,497	\$47,639,245	\$54,824,715	\$51,006,412	\$49,133,451
Recommended Contribution as a % of Projected Payroll	25.84%	25.24%	29.19%	27.15%	26.16%
Projected Payroll	\$188,718,811	\$188,718,811	\$187,851,602	\$187,851,602	\$187,851,602
Funded Ratio – AVA Basis	69.41%	69.94%	66.39%	68.10%	68.95%
Funded Ratio – MVA Basis*	70.46%	71.00%	67.39%	69.12%	69.99%

*Based on market value of assets of \$1,333,862,000 for 2019

Ms. Cooper discussed the mortality analysis completed as part of the study. In January 2019, the Society of Actuaries published new mortality tables (Pub-2010) for public sector employees. These tables include separate mortality rates for General Employees, Teachers and Public Safety. These Pub-2010 tables were a good fit for Police and Fire plans and these tables have already been adopted. However, these tables were not appropriate for the General Employees plans. The mortality tables published by the Society of Actuaries for Private Sector employees were a better fit (Pri-2012).

Demographic Assumptions

Mortality

- **Recommendations** – Updates to base mortality tables and generational projection scales
 - **Healthy Post-Retirement**
 - Retiree: Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table, with rates increased 15%
 - Beneficiary of Living Retiree: Same as Retiree
 - Beneficiary of Deceased Retiree: Sex-distinct Pri-2012 Blue Collar Healthy Contingent Survivor Amount-weighted Mortality Table, with rates increased 15%
 - **Disabled Lives:** Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table, with rates increased 15%
 - **Healthy Pre-Retirement:** Sex-distinct Pri-2012 Employee Amount-weighted Mortality Table, with rates increased 15%

Ms. Cooper went on to discuss the investment return assumption for the pension plan on pages 27 through 34. Segal's recommended assumption is as follows:

Economic Assumptions

Investment Return

- Reasonable range based on inflation assumption of 2.25% and target asset allocation, NASRA survey, and peer comparison is 6.50% to 7.25%.
- **Recommendation**
 - Based on target asset allocation and projected future earnings, recent survey information, and peer comparison, we recommend a discount rate of 7.00% or 6.75%. The City can also choose to phase into the new rate over the next few years with one option being 7.125% for the 2020 valuation followed by 7.00% thereafter.

Note that the experience study was drafted prior to the auditor review and based on input from the auditor, Segal is no longer recommending a phase-in approach but rather to use a single assumed interest rate for all valuations until the next study. While a different approach could be used for funding and GASB purposes, it is cleaner to use the same approach (a single interest rate) for both. Therefore the recommendation is for a single rate of 6.75%, 7.00%, or 7.125%.

Mr. Hullender asked about the reasonableness of the 7.25% asset return assumption when the recent asset allocation for the plans was approved. Mr. Obed responded that what Marquette provided on page 33 of Segal's presentation is typical. It is a matter of timing when assumptions are captured. Assumptions right now may be artificially low since interest rates are so low and not normalized. Marquette still stands by the asset allocation targeting a 7.25% asset return.

Ms. Cooper then discussed the salary assumption and the rationale for their recommendation on page 38. She went through the analysis of the remaining assumptions but there were no recommended changes.

Economic Assumptions

Salary Scale

• Current Assumptions

- Unisex age-based table, decreasing as participants age from high of 14.75% prior to age 25 to payroll growth assumption of 3.00% at age 65 and older
- This study is based on 15,447 exposed lives.

• Recommendation

- Decrease rates prior to age 40; maintain rates on and after age 40
- The next slide shows the current and proposed salary increase assumption
- The slide after that shows a graph comparing the old assumption, experience and new assumption

Police Officers' Pension Fund

Ms. Cooper went through the results for the Police Officers' Fund in a similar format as the General Plan. She highlighted the recommended changes as follows:

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Healthy Retiree & Beneficiary of Living Retiree Mortality	Sex-distinct Pub-2010 Public Safety Healthy Retiree Amount-weighted Mortality Table	No change
Contingent Beneficiary Mortality	No separate assumption, used healthy retiree and dependent spouse mortality	Sex-distinct Pub-2010 Public Safety Healthy Contingent Survivor Amount-weighted Mortality Table
Disabled Life Mortality	Sex-distinct Pub-2010 Public Safety Disabled Retiree Amount-weighted Mortality Table	No change
Pre-Retirement Mortality	Sex-distinct Pub-2010 Public Safety Employee Amount-weighted Mortality Table	No change
Mortality Improvement	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2017 scale	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2020 scale
Inflation	2.25%	No change
Investment Return	7.25%	6.75% or 7.00% with option to phase into the new rate over the next few years (7.125% for 2020 valuation and 7.00% thereafter)
Payroll Growth	4.00%	3.00%
Salary Scale	4.00%	Age-based unisex salary scale grading down from 10.00% to an ultimate rate of 3.00%
Administrative Expenses	0.75% of expected payroll	\$700,000 per year, with 2.25% inflationary increases beginning July 1, 2021

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Cost-of-Living Adjustment (COLA)	2.50% compounded annually post-retirement if not in 2011 Plan 1.00% compounded annually post-retirement if in 2011 Plan	2.25% compounded annually post-retirement if not in 2011 Plan 1.00% compounded annually post-retirement if in 2011 Plan
Cost Method	Traditional Entry Age	No change
Amortization Method	Single base; level percentage of payroll method; closed period reset to 30 years as of July 1, 2011; 22 years remaining as of July 1, 2019	No change; once base goes below 20 years (July 1, 2022 valuation) or 15 years (July 1, 2027 valuation), consider adding a separate new base each year with a 20-year or 15-year amortization period
Asset Method	Market value	5-year straight-line amortization of each year's market investment gain or loss with the resulting smoothed value subject to a 20% corridor around market value; will phase in starting with July 1, 2020 valuation.
Timing Adjustment on Employer Contributions	Increased by interest adjustment to reflect semi-monthly employer contributions with an expected contribution due increased by 1 year of assumed investment return	Increased by ½ year of assumed investment return and one year of assumed payroll growth

Note that many of the recommendations are to align methods to be consistent with what is being done for the General Plan, such as smoothing of Plan assets, payroll growth assumption, and cost of living assumption. Ms. Cooper noted that the recommended salary assumption is a little lower than what actual experience has been, but recent hiring actions are not necessarily indicative of the long-term. Ms. Cooper presented the impact of the proposed assumption and method changes on the plan's funded status and City's contributions.

Impact of Proposed Assumption and Method Changes

The following chart provides the estimated impact of the assumption and method changes, based on the July 1, 2019 valuation results; changes will be implemented with the July 1, 2020 valuation.

Description	(A) July 1, 2019 Valuation Results	(B) Recommended Timing Change Only	(C) Recommended Mortality Assumption Change Only	(D)	(E)	(F)
				Recommended Mortality and Economic Assumption Changes with 6.75% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.00% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.125% Discount Rate
1 Actuarial Accrued Liability (AAL)	\$1,498,485,371	\$1,498,485,371	\$1,495,425,148	\$1,547,109,657	\$1,498,356,031	\$1,474,932,366
2 Actuarial Value of Assets (AVA)	1,163,140,000	1,163,140,000	1,163,140,000	1,163,140,000	1,163,140,000	1,163,140,000
3 Unfunded Actuarial Accrued Liability (UAAL) [(1) - (2)]	335,345,371	335,345,371	332,285,148	383,969,657	335,216,031	311,792,366
4 Employer Normal Cost	12,895,038	12,895,038	12,849,407	15,617,814	14,040,054	13,296,196
5 Payment on UAAL	20,660,777	20,660,777	20,472,235	24,764,308	22,081,435	20,754,486
6 Total Recommended Contribution adjusted for Timing [(4) + (5) + Interest]	\$35,708,504	\$36,140,968	\$35,888,754	\$42,974,448	\$38,485,290	\$36,300,153
7 Recommended Contribution as a % of Projected Payroll	36.16%	35.19%	34.95%	43.49%	38.95%	36.74%
8 Projected Payroll	\$98,741,219	\$102,690,868	\$102,690,868	\$98,812,025	\$98,812,025	\$98,812,025
9 Funded Ratio – AVA Basis	77.62%	77.62%	77.78%	75.18%	77.63%	78.86%
10 Funded Ratio – MVA Basis ¹	77.62%	77.62%	77.78%	75.18%	77.63%	78.86%

Firefighters’ Pension Fund

Ms. Cooper presented the results for the Firefighters’ Pension Fund. These are the same recommendations as for Police, except for the \$500,000 administrative expense assumption. She presented the following recommended assumption and method changes along with the impact on the plan’s funded status and the City’s contribution.

Summary of Findings

- Impact of changes shown assuming changes adopted with the July 1, 2019 valuation
- Mortality experience in total was close to expected; group too small for full credibility; assumptions most recently updated with the July 1, 2019 valuation with recommendation to maintain base tables, introduce a contingent beneficiary table and update the improvement scale.
- Funding interest rates continue to trend down. Recommendation is to lower the rate but to allow the City to phase this in over the next few years to accommodate budget concerns.
- Salary increases shown to decrease as participants age with recommendation to introduce salary increase rates based on age.
- Recommend changes in COLA, payroll growth rate, and administrative expense load assumptions to align with assumptions used for General Employees’ Fund
- Recommend change in asset method to smooth investment gains and losses over a five-year period on a prospective basis to reduce contribution volatility and to align with method used for General Employees’ Fund
- Recommend change in timing adjustment on employer contributions to align with method used by General Employees’ Fund
- Recommended assumptions result in overall increase in recommended contribution with the increase more modest under a higher investment return assumption.
- Using 2019 valuation results, the actuarial accrued liability changes range from a \$15.4 million decrease (1.6%) to a \$29.6 million increase (3.0%) while the recommended contribution increase ranges from \$0.6 million (2.3%) to \$4.4 million (18.0%).

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Healthy Retiree & Beneficiary of Living Retiree Mortality	Sex-distinct Pub-2010 Public Safety Healthy Retiree Amount-weighted Mortality Table	No change
Contingent Beneficiary Mortality	No separate assumption, used healthy retiree and dependent spouse mortality	Sex-distinct Pub-2010 Public Safety Healthy Contingent Survivor Amount-weighted Mortality Table
Disabled Life Mortality	Sex-distinct Pub-2010 Public Safety Disabled Retiree Amount-weighted Mortality Table	No change
Pre-Retirement Mortality	Sex-distinct Pub-2010 Public Safety Employee Amount-weighted Mortality Table	No change
Mortality Improvement	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2017 scale	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2020 scale
Inflation	2.25%	No change
Investment Return	7.25%	6.75% or 7.00% with option to phase into the new rate over the next few years (7.125% for 2020 valuation and 7.00% thereafter)
Payroll Growth	4.00%	3.00%
Salary Scale	4.00%	Age-based unisex salary scale grading down from 10.00% to an ultimate rate of 3.00%
Administrative Expenses	1% of expected payroll	\$500,000 per year, with 2.25% inflationary increases beginning July 1, 2021

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Cost-of-Living Adjustment (COLA)	2.50% compounded annually post-retirement if not in 2011 Plan 1.00% compounded annually post-retirement if in 2011 Plan	2.25% compounded annually post-retirement if not in 2011 Plan 1.00% compounded annually post-retirement if in 2011 Plan
Cost Method	Traditional Entry Age	No change
Amortization Method	Single base; level percentage of payroll method; closed period reset to 30 years as of July 1, 2011; 22 years remaining as of July 1, 2019	No change; once base goes below 20 years (July 1, 2022 valuation) or 15 years (July 1, 2027 valuation), consider adding a separate new base each year with a 20-year or 15-year amortization period
Asset Method	Market value	5-year straight-line amortization of each year's market investment gain or loss with the resulting smoothed value subject to a 20% corridor around market value; will phase in starting with July 1, 2020 valuation.
Timing Adjustment on Employer Contributions	Increased by interest adjustment to reflect semi-monthly employer contributions with an expected contribution due increased by 1 year of assumed investment return	Increased by ½ year of assumed investment return and one year of assumed payroll growth

Impact of Proposed Assumption and Method Changes

The following chart provides the estimated impact of the assumption and method changes, based on the July 1, 2019 valuation results; changes will be implemented with the July 1, 2020 valuation.

Description	(A) July 1, 2019 Valuation Results	(B) Recommended Timing Change Only	(C) Recommended Mortality Assumption Change Only	(D)	(E)	(F)
				Recommended Mortality and Economic Assumption Changes with 6.75% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.00% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.125% Discount Rate
1 Actuarial Accrued Liability (AAL)	\$979,792,691	\$979,792,691	\$977,767,583	\$1,009,397,648	\$979,036,143	\$964,427,858
2 Actuarial Value of Assets (AVA)	727,344,000	727,344,000	727,344,000	727,344,000	727,344,000	727,344,000
3 Unfunded Actuarial Accrued Liability (UAAL) [(1) - (2)]	252,448,691	252,448,691	250,423,583	282,053,648	251,692,143	237,083,858
4 Employer Normal Cost	7,628,325	7,628,325	7,602,766	9,112,330	8,250,554	7,843,813
5 Payment on UAAL	15,553,476	15,553,476	15,428,708	18,191,186	16,579,528	15,781,508
6 Total Recommended Contribution adjusted for Timing [(4) + (5) + Interest]	\$24,627,835	\$24,967,736	\$24,805,828	\$29,056,262	\$26,454,970	\$25,186,067
7 Recommended Contribution as a % of Projected Payroll	46.22%	45.92%	55.88%	50.87%	48.43%	48.43%
8 Projected Payroll	\$51,938,011	\$54,015,531	\$54,015,531	\$52,001,330	\$52,001,330	\$52,001,330
9 Funded Ratio – AVA Basis	74.23%	74.23%	74.39%	72.06%	74.29%	75.42%
10 Funded Ratio – MVA Basis	74.23%	74.23%	74.39%	72.06%	74.29%	75.42%

General Employees' Pension Fund – Atlanta Board of Education (APS)

Ms. Cooper noted the differences in the APS population vs. the General Employees of the City. The APS plan contains teachers in the retiree population with retirement dates prior to 1978. Teachers have better mortality and live longer. As a result, there is a recommended difference in the mortality assumption. The salary assumption is another area with a difference. The pay is not assumed to increase as much as for the City's General Employees. These two assumption differences are somewhat offsetting. The recommended assumption and method changes are as follows:

Summary of Findings

- Contribution is fixed by statute. Changes in assumptions affect the effective amortization period (the period over which the unfunded liability is expected to be paid off).
- Impact of changes shown assuming changes adopted with the July 1, 2019 valuation; results will change based on July 1, 2020 asset and participant data.
- Mortality experience showed fewer deaths than expected. Assumptions updated to reflect this as well as to update to more recently published mortality table and improvement scale.
- Funding interest rates continue to trend down. Recommendation is to lower the rate but to allow the City to phase this in over the next few years.
- Salary increases were lower than expected with recommendation to reflect this experience.
- Recommended assumptions result in longer amortization period with the increase more modest under a higher investment return assumption.
- Using 2019 valuation results, the actuarial accrued liability increase ranges from a \$16.3 million increase (3.1%) to a \$33.3 million increase (6.4%) while the effective amortization period increase ranges from 0.3 years to 0.6 years.

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Healthy Retiree & Beneficiary of Living Retiree Mortality	Approximate sex-distinct RP-2006 Blue Collar Healthy Annuitant Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table, with rates increased 6%
Contingent Beneficiary Mortality	No separate assumption, used healthy retiree and dependent spouse mortality	Sex-distinct Pri-2012 Blue Collar Healthy Contingent Survivor Amount-weighted Mortality Table, with rates increased 6%
Disabled Life Mortality	Approximate sex-distinct RP-2006 Disabled Retiree Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table, with rates increased 6%
Pre-Retirement Mortality	Approximate sex-distinct RP-2006 Blue Collar Employee Mortality Table, with rates increased 25%	Sex-distinct Pri-2012 Employee Amount-weighted Mortality Table, with rates increased 6%
Mortality Improvement	Projected generationally with sex-distinct improvement rates under the 2016 OASDI Trustees Report used for the intermediate alternative	Projected generationally with sex-distinct improvement rates under the Society of Actuaries MP-2020 scale
Inflation	2.25%	No change
Investment Return	7.25%	6.75% or 7.00% with option to phase into the new rate over the next few years (7.125% for 2020 valuation and 7.00% thereafter)
Payroll Growth	3.00%	No change
Salary Scale	Age-based unisex salary scale grading down from 14.75% to an ultimate rate of 3.00%	Age-based unisex salary scale grading down from 8.00% to an ultimate rate of 3.00%

Summary of Proposed Assumption and Method Changes

Assumption/Method	Current Assumption/Method	Proposed Assumption/Method
Administrative Expenses	\$200,000 per year, projected annually from 2017 with 2.25% inflation (\$209,101 as of July 1, 2019)	No change
Cost-of-Living Adjustment (COLA)	2.25% compounded annually post-retirement	No change
Cost Method	Traditional Entry Age	No change
Amortization Method	Determined based on contribution required under statute; assumption reflects 3% anticipated growth as required under statute	No change
Asset Method	5-year straight-line amortization of each year's market investment gain or loss with the resulting smoothed value subject to a 20% corridor around market value	No change
Timing Adjustment on Employer Contributions	Increased by ½ year of assumed investment return and one year of assumed payroll growth	No change

Ms. Cooper presented the impact of the proposed assumption and method changes. The slide below focuses on the impact on the liability change as the contribution is a fixed amount. It is best to look at how the amortization period and unfunded payoff changes.

Impact of Proposed Assumption and Method Changes

The following chart provides the estimated impact of the assumption and method changes, based on the July 1, 2019 valuation results; changes will be implemented with the July 1, 2020 valuation.

Description	(A) July 1, 2019 Valuation Results	(B) Recommended Mortality Assumption Change Only	(C)	(D)	(E)
			Recommended Mortality and Economic Assumption Changes with 6.75% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.00% Discount Rate	Recommended Mortality and Economic Assumption Changes with 7.125% Discount Rate
1 Actuarial Accrued Liability (AAL)	\$517,281,679	\$529,078,402	\$550,630,588	\$539,126,420	\$533,540,503
2 Actuarial Value of Assets (AVA)	168,011,240	168,011,240	168,011,240	168,011,240	168,011,240
3 Unfunded Actuarial Accrued Liability (UAAL) [(1) - (2)]	349,270,439	361,067,162	382,619,348	371,115,180	365,529,263
4 Employer Normal Cost	2,169,924	2,218,947	2,119,434	1,953,023	1,874,068
5 Payment on UAAL	52,579,174	52,530,151	52,757,733	52,859,997	52,906,963
6 Total Recommended Contribution adjusted for Timing [(4) + (5) + Interest]	\$58,400,000	\$58,400,000	\$58,400,000	\$58,400,000	\$58,400,000
7 Effective Amortization Period - AVA Basis	7.6 years	7.9 years	8.2 years	8.0 years	7.9 years
8 Funded Ratio – AVA Basis	32.48%	31.76%	30.51%	31.16%	31.49%
9 Funded Ratio – MVA Basis*	32.67%	31.94%	30.69%	31.35%	31.67%

*Based on market value of assets of \$188,000,000 for 2019

Next Steps

Ms. Cooper and Mr. Carr will need direction on what investment return to assume for the July 1, 2020 actuarial valuation. This study has provided an acceptable range for the assumption, but the process is that the Chief Financial Officer makes a recommendation and the Investment Board votes to accept his recommendation.

There was a question about how these assumptions would impact the cap. The response was that these assumptions have no impact on how the cap is determined because the cap is based on the assumptions at the time of the Pension Reform.

Mr. Council said that Finance is reviewing their budget for Fiscal 2022 and will send a recommendation out to the Investment Board. He is currently looking at an assumption of 7% per year. This is based on discussions with Segal, KPMG, and Deloitte. This will depend on the ability to fund the budget.

Deloitte Update

Mr. DeLeon gave an update on the pension data sampling project where Deloitte is reviewing a sample population of 200 employees to identify data issues. They are still in the data collection stage and have data from 2 of the 4 historical systems. The remainder of the data should be available by Tuesday, 3/23. He noted that City leadership has been helpful with the project, but things were slowed slightly due to the virtual environment necessitated by Covid. The delay was built into the timeline, so they are not behind at this point.

VIII. OLD BUSINESS

It was noted there was no other Old Business that needed to be addressed at this time.

IX. QUESTIONS AND COMMENTS FROM AUDIENCE

It was noted there were no questions or comments from the audience.

X. DATE OF NEXT MEETING

The next Board meeting will be held on April 21, 2021.

XI. ADJOURNMENT

There being no further business to be brought before the Board at this time at 12:09 p.m. Chairman Sims called for adjournment.

Respectfully Submitted,

_____ Chairman, Frank Sims

These Minutes were adopted on _____, 2021