

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

December 21, 2022

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

Investment Board Members

Frank Sims	Chairman	Present
Lisa Gordon	Vice-Chairman	Absent
Mohamed Balla	CFO, City of Atlanta	Virtual
Tarlesha Smith	HR Commissioner, City of Atlanta	Absent
Antonio Lewis	Atlanta City Council Member	Present
Howard Shook	Atlanta City Council Member	Virtual
Jason Winston	Atlanta City Council Member	Absent
Alfred Berry, Jr.	General Employees' Pension Plan – City	Present
Reggie Grant	General Employees' Pension Plan - City	Present
Lisa Bracken	General Employees' Pension Plan – APS	Absent
Quentin Hutchins	General Employees' Pension Plan – APS	Present
Brent Hullender	Fire Fighters' Pension Plan	Present
Rick Light	Police Officers' Pension Plan	Present

Others Present

Mary Shah	Strategic Benefits Advisors
Lori Pocock	Strategic Benefits Advisors
Eric Dec	City of Atlanta, Legal
Youlanda Carr	City of Atlanta, Finance
Marlo Crossley	City of Atlanta, Finance
Karen Sutton	City of Atlanta, Finance
Beryl Taylor	City of Atlanta, Finance
Amanda Rouser	City of Atlanta, Pension Administration
Rosie Woods	City of Atlanta, Pension Administration
Chelsea Deppert	Morris, Manning & Martin
Ed Emerson	Morris, Manning & Martin
Kweku Obed	Marquette Associates
Jeanette Cooper	Segal
Benjamin Hymes	Legato
Jason Simpson	Garcia Hamilton
Lauren Albanese	Financial Times
Rene Clinton	
Brendan Kandakai	
Lavonia Morris	

I. CALL TO ORDER

Chairman Sims called the meeting to order at 10:11 a.m. Chairman Sims noted that a quorum was present for the meeting and the meeting was being held both in-person and via Webex Teleconference. It was also noted that Investment Managers were in attendance.

II. ADOPTION OF AGENDA

Chairman Sims asked if there were any changes to the agenda and there were none.

A motion was made by Mr. Hutchins to approve the Agenda as presented. The motion was seconded by Mr. Hullender. The motion unanimously carried and the Agenda was approved.

III. PUBLIC COMMENT

Ms. Rene Clinton presented her appeal to be granted a pension from the General Employees' Pension Plan. Ms. Clinton thoroughly reviewed the materials provided to the Investment Board and answered questions from Board Members. It was pointed out that one of the criteria to receive a pension was reaching age 65 and Ms. Clinton confirmed she was currently age 64. Chairman Sims stated the case would be discussed in Executive Session and someone from the City would get back to Ms. Clinton with a final decision.

Note: Ms. Morris addressed the Board at 11:05 a.m. For clarity, her remarks are added to this section of the record.

Ms. Lavonia Morris presented her appeal to the Board to be granted the Survivor benefit from her common-law husband's pension. She reviewed the information provided to the Investment Board and answered questions. Ms. Shah noted that between the time the application was originally presented to the General Employees' Pension Committee and now, SBA was able to find an obituary confirming the death of Mr. Rucker's first wife which would then allow him to enter into a common-law marriage with Ms. Morris. Chairman Sims stated the case would be discussed in Executive Session and someone from the City would get back to Ms. Morris with a final decision

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the October 19, 2022 regularly scheduled meeting which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the October 19, 2022 Minutes, a motion was made by Mr. Hutchins to approve the Minutes as written. The motion was seconded by Mr. Berry. The motion unanimously carried and the October Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Emerson reported that the funds from the settlement agreement with Zenith have been received and deposited in the appropriate Plan Operating Accounts.

VI. INVESTMENT CONSULTANT REPORT – *Marquette Associates*

Mr. Obed walked through the market environment and performance for the three Plans. He noted that 2022 has been a very tough year, but the Plan returns have been solid over the past couple of months.

Mr. Obed stated that for the Fixed Income asset class, November was a good month, but there has been year-long pressure in this asset class.

Fixed income performance

Fixed income indices posted strong returns in November as easing inflation data prompted hopes of a Fed pivot

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Index	Blm Aggregate	3.7	2.3	-12.6	-12.8	-2.6	0.2	1.1
Intermediate Index	Blm Int. Gov./Credit	2.2	1.7	-8.1	-8.2	-1.2	0.8	1.1
Government Only Indices	Blm Long Gov.	7.1	1.1	-28.0	-29.0	-7.7	-1.5	0.6
	Blm Int. Gov.	1.7	1.2	-7.5	-7.8	-1.3	0.5	0.7
	Blm 1-3 Year Gov.	0.7	0.6	-4.0	-4.2	-0.4	0.7	0.6
	Blm U.S. TIPS	1.8	3.1	-10.9	-10.7	1.7	2.5	1.2
Credit Indices	Blm U.S. Long Credit	9.0	6.5	-24.4	-24.7	-5.4	-0.1	2.2
	Blm High Yield	2.2	4.8	-10.6	-9.0	0.9	2.5	4.3
	CS Leveraged Loan Index	1.1	2.0	-1.4	-0.8	2.8	3.2	3.8
Securitized Bond Indices	Blm MBS	4.1	2.6	-11.4	-11.5	-3.0	-0.4	0.8
	Blm ABS	1.0	0.1	-4.9	-5.1	-0.3	1.1	1.2
	Blm CMBS	2.6	0.9	-11.0	-11.1	-1.8	0.8	1.6
Non-U.S. Indices	Blm Global Aggregate Hedged	2.5	2.2	-10.2	-10.5	-2.3	0.6	1.8
	JPM EMBI Global Diversified	7.6	7.8	-18.1	-16.9	-4.8	-1.2	1.6
	JPM GBI-EM Global Diversified	7.1	6.2	-13.6	-12.2	-5.5	-2.5	-2.0
Municipal Indices	Blm Municipal 5 Year	2.8	2.6	-5.7	-5.6	-0.3	1.2	1.4
	Blm HY Municipal	5.8	3.7	-13.0	-12.7	-0.4	2.9	3.5

Source: Bloomberg, Credit Suisse, JPMorgan as of November 30, 2022. The local currency GBI index is hedged and denominated in U.S. dollars.

Mr. Obed noted the US Equity market was also up. Historically, we are used to seeing that when one asset class does well, another will do poorly. It is important to understand both the up and down markets and, when the market is pulling back, there will be pain in the portfolio.

U.S. equity performance

November marked a second consecutive month of positive equity returns

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Dow Jones	6.0	21.0	-2.9	2.5	9.5	9.7	12.9
	Wilshire 5000	5.1	13.8	-14.0	-10.6	10.7	10.6	13.1
	Russell 3000	5.2	13.8	-14.2	-10.8	10.3	10.3	12.9
Large-Cap Market Indices	S&P 500	5.6	14.1	-13.1	-9.2	10.9	11.0	13.3
	Russell 1000	5.4	13.9	-14.1	-10.7	10.6	10.7	13.2
	Russell 1000 Value	6.2	17.1	-3.7	2.4	8.4	7.9	11.0
	Russell 1000 Growth	4.6	10.7	-23.3	-21.6	11.8	12.9	15.0
Mid-Cap Market Indices	Russell MidCap	6.0	15.4	-12.6	-9.0	8.7	8.5	11.8
	Russell MidCap Value	6.3	16.4	-7.3	-1.5	8.8	7.1	11.0
	Russell MidCap Growth	5.4	13.7	-22.0	-21.8	6.4	9.1	12.3
Small-Cap Market Indices	Russell 2000	2.3	13.6	-14.9	-13.0	6.4	5.4	10.1
	Russell 2000 Value	3.1	16.0	-8.5	-4.7	8.3	5.3	9.7
	Russell 2000 Growth	1.6	11.3	-21.3	-21.0	3.7	4.9	10.2

Mr. Obed stated that the International market was similar to the US and had a strong November.

Global equity performance

Global equities rallied strongly in November; emerging markets led given the rebound in China

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Global Equity Market Indices	MSCI ACWI	7.8	14.3	-15.0	-11.6	6.6	6.4	8.7
	MSCI ACWI ex. U.S.	11.8	15.1	-15.4	-11.9	1.8	1.5	4.2
Developed Markets Indices	MSCI EAFE	11.3	17.2	-14.5	-10.1	1.9	1.8	5.0
	MSCI EAFE Local	6.4	12.1	-4.1	0.0	5.2	4.7	8.2
Emerging Markets Indices	MSCI Emerging Markets	14.8	11.3	-19.0	-17.4	0.1	-0.4	2.1
	MSCI EM Local	11.7	8.7	-13.8	-12.5	2.7	2.2	5.2
Small-Cap Market Indices	MSCI EAFE Small-Cap	9.9	14.6	-22.2	-18.8	0.1	0.3	6.5
	MSCI EM Small-Cap	9.4	9.3	-17.2	-13.7	7.6	2.0	3.8
Frontier Markets Index	MSCI Frontier	5.2	0.7	-25.2	-24.1	-1.8	-1.6	3.6

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that the General Plan had strong results for the month of November, up almost 6%, although still down YTD.

He provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of November 30, 2022.

MTD Performance (as of 11/30/2022)

Total Fund Composite: 5.9%

Total Fund Policy Benchmark: 5.5%

FYTD Performance (as of 11/30/2022)

Total Fund Composite: 4.8%

Total Fund Policy Benchmark: 4.2%

YTD Performance (as of 11/30/2022)

Total Fund Composite: -11.4%

Total Fund Policy Benchmark: -12.2%

Performance Overview – Police Officers' Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of November 30, 2022. The Police Officers' Plan had similar results compared to the General Plan, up 5.7% for the month of November.

MTD Performance (as of 11/30/2022)

Total Fund Composite: 5.7%
Total Fund Policy Benchmark: 5.3%

FYTD Performance (as of 11/30/2022)

Total Fund Composite: 5.3%
Total Fund Policy Benchmark: 5.0%

YTD Performance (as of 11/30/2022)

Total Fund Composite: -12.1%
Total Fund Policy Benchmark: -12.0%

Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed provided the Board with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of November 30, 2022. He noted the Fire Fighters’ Plan is up 5.2% this month, just ahead of the benchmark.

MTD Performance (as of 11/30/2022)

Total Fund Composite: 5.2%
Total Fund Policy Benchmark: 5.0%

FYTD Performance (as of 11/30/2022)

Total Fund Composite: 4.9%
Total Fund Policy Benchmark: 4.4%

YTD Performance (as of 11/30/2022)

Total Fund Composite: -13.5%
Total Fund Policy Benchmark: -12.5%

VII. NEW BUSINESS**Election Results - SBA**

Ms. Shah presented the election results for the Active and Retiree positions on the Fire, General and Police Plans.

Plan / Position	Name
General Employees – Active Representative	Santana Kempson Wright
General Employees – Retiree Representative	Angela Green
APS – Active Representative	Joe Hood
APS – Retiree Representative	Gregory Nash
Fire Fighters – Active Representative	Russell Sykes
Fire Fighters – Retiree Representative	Lawrence Mahle
Police Officers – Active Representative	Clint Myers
Police Officers – Retiree Representative	Ken Allen

A motion was made by Mr. Hullender to approve the elected candidates. The motion was seconded by Mr. Lewis. The motion unanimously carried and the elected candidates were approved.

Cap Results – Segal

Ms. Cooper presented the FY 2023 Pension Plan Cap and Projections results which provides an update on the status of the City's pension plans relative to pension reform, determines the cap for FY 23 and projects the cap under various scenarios. The last time the cap study was done was 5 years ago. At this time, using current assumptions and assuming all assumptions are met in the future, the 35% cap would never be reached. If lower investment returns were used, the 35% cap is projected to be reached in 2035 assuming a 5.25% return, or in 2040 assuming a 7.0% return, again assuming all other assumptions are met.

VIII. OLD BUSINESS

Agreement Renewal - Segal

Ms. Cooper stated the proposed 1-year renewal of the Segal contract had been sent to Board members via email with a 5% increase in fees. Mr. Dec added that Legal is reviewing the proposal and has some comments on language.

Following discussion, a motion was made by Mr. Berry to approve the 1-year renewal of the contract with Segal, pending changes by the Legal department. The motion was seconded by Mr. Hullender. The motion unanimously carried and the contract renewal was approved.

IX. APPEALS

A motion was made by Mr. Hullender to enter Executive Session at 11:36 a.m. to discuss the appeals made by Rene Clinton and Lavonia Morris. The motion was seconded by Mr. Berry. The motion unanimously carried and the Board entered Executive Session.

A motion was made by Mr. Hullender to exit Executive Session at 11:49 a.m. The motion was seconded by Mr. Berry. The motion unanimously carried and the Board exited Executive Session.

A motion was made by Mr. Berry to approve Lavonia Morris's beneficiary application as the surviving spouse of Ned Rucker. The motion was seconded by Mr. Hullender. The motion unanimously carried and the Beneficiary Application was approved.

A motion was made by Mr. Hullender to uphold the decision of the General Employees' Defined Benefit Pension Administrative Committee to deny Rene Clinton's pension application on the grounds that she did not meet both the years of service requirement and the age requirement to receive a pension. The motion was seconded by Mr. Berry. The motion unanimously carried and the Administrative Committee's decision was upheld. It was noted that Ms. Clinton would receive a refund of her employee contributions.

X. QUESTIONS AND COMMENTS FROM AUDIENCE

Ms. Pocock requested that anyone who wished to attend the GAPPT conference in March contact her so that they could be registered.

XI. DATE OF NEXT MEETING

The next Board meeting will be held on January 18, 2023. The meeting will be in person at Atlanta City Hall in Committee Room 1. Chairman Sims noted that this would be his last meeting as Chairman and a new Chairman would be appointed prior to the Board's next meeting.

XII. ADJOURNMENT

There being no further business to be brought before the Board at this time at 11:52 a.m. Chairman Sims called for adjournment.

Respectfully Submitted,

David Brand, Chairman

These minutes were adopted on January 18, 2023