

CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING

October 20, 2021

Webex Teleconference

10:00 A.M – 12:00 P.M.

Board Members Present

Frank Sims

Natalyn Archibong

Mohamed Balla

Alfred Berry, Jr.

Marci Collier Overstreet

Brent Hullender

Rick “Bud” Light

Jeffrey Norman

Chairman

Councilmember, City of Atlanta

CFO, City of Atlanta

General, City of Atlanta

Councilmember, City of Atlanta

Fire, City of Atlanta

Police, City of Atlanta

HR Commissioner, City of Atlanta

Others Present

Mary Shah

Stephanie Atli

Lori Pocock

Eric Dec

Tyronia Smith

Tiffany Jones

Karen Sutton

Amanda Rouser

Rosie Woods

Chelsea Deppert

Ed Emerson

Jeanette Cooper

Kweku Obed

Jamie Helms

Adam Persiani

Derek Batts

Benjamin Hymes

Stephanie Roberts

Joseph McLane

Lindsey Saleini

Colin Chaney

Strategic Benefits Advisors

Strategic Benefits Advisors

Strategic Benefits Advisors

City of Atlanta, Legal

City of Atlanta, Legal

City of Atlanta, Finance

City of Atlanta, Finance

City of Atlanta, Pension Administration

City of Atlanta, Pension Administration

Morris, Manning & Martin

Morris, Manning & Martin

Segal

Marquette Associates

Deloitte

Pharos Funds

Union Heritage

Legato

Garcia Hamilton

Financial News

Thomas Bradford

Thomas Dunn

Mattie Bradford

Pam Baisden

Kurt Baisden

Mary Wyche

Andrew Gross

Virginia Brooks

Chandra Jones

Lee Ramey

APS Retiree

Counsel for Thomas Bradford

Wife of Thomas Bradford

Daughter of Thomas Bradford

Son-in-law of Thomas Bradford

Beneficiary of APS Retiree

Counsel for Mary Wyche

APS Retiree

Counsel for Virginia Brooks

APS Retiree

Yulanda Ramey
Charlene Montfort
Angela Bess

Presenting for Lee Ramey
Presenting for Patricia Culpepper

I. CALL TO ORDER

Chairman Sims called the Webex teleconference meeting to order at 10:08 a.m. Chairman Sims noted that a quorum was present for the meeting and it was noted Investment Managers were in attendance.

II. ADOPTION OF AGENDA

Chairman Sims asked if there were any changes to the agenda.

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

III. PUBLIC COMMENT

Chairman Sims asked if there were any public comments and Ms. Ramey stated she was here to encourage a vote on the pension reduction appeal cases. A call-in user asked when the appeals would be heard and Ms. Shah stated that appeals would be heard after the regular meeting. There were no additional comments.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the September 10, 2021 Special Meeting and the September 24, 2021 regularly scheduled meeting, each of which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the September 10, 2021 and September 24, 2021 minutes, a motion was made by Mr. Hullender to approve the Minutes as written. The motion was seconded by Mr. Light. The motion unanimously carried and the Minutes were approved.

V. ATTORNEY'S REPORT

Mr. Emerson asked Ms. Shah to provide an update on the Iron Mountain project. Ms. Shah stated that SBA is going through boxes to conduct a review to assess the quality and completeness of the scans. SBA will provide information to Mr. Emerson once the audit is complete, including summarized invoices. SBA is holding payment of the invoices until they can assess the quality of the deliverables.

Mr. Emerson asked when public meetings would start and Ms. Smith replied that the City was not yet ready to start in person meetings.

Mr. Berry stated the General Plan had a Committee member who recently retired and asked how to proceed since the seat he occupied was for an active employee. Mr. Emerson stated that he has prepared an amendment to the Investment Board's bylaws clarifying that when a person who is in an "Active" seat for one of the plan administrative committees retires or otherwise terminates employment, they will no longer be able to hold that position on the committee. The proposed amendment to the bylaws has been presented to the City Legal department and is now under review. Mr. Berry asked if the proposal could also be sent to Council Members Archibong and Overstreet for their review and assistance to get legislation passed. He also asked if it would be necessary to amend the pension code. Mr. Emerson

replied that he is waiting on input from the City Legal Department as to whether amending the bylaws is sufficient or whether new legislation will also be needed.

Mr. Norman joined the meeting at 10:18 a.m.

VI. INVESTMENT CONSULTANT REPORT – Marquette Associates

Mr. Obed walked through the market environment and performance for the three plans.

The main theme in the 3Q market environment is mean reversion. Year to date, the markets have been showing exceptional returns, but during the third quarter, some asset classes have slipped. Commodities has been the strongest performer for 2021, with Equities a close second.

Commodities and equities still lead through 3Q

2021 YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012	5yr	10yr
Commodities 38.3%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Real Estate 6.7%	Emerging Markets 37.3%	Small Cap 21.3%	Real Estate 13.3%	Large Cap 13.7%	Small Cap 36.8%	Intl Small Cap 20.0%	Large Cap 16.9%	Large Cap 16.6%
Large Cap 15.9%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Bank Loans 1.1%	Intl Small Cap 33.0%	High Yield 17.1%	Intl Small Cap 9.6%	Mid Cap 13.2%	Mid Cap 34.8%	Emerging Markets 18.2%	Broad U.S. Equities 16.9%	Broad U.S. Equities 16.6%
Mid Cap 5.2%	Large Cap 18.4%	Mid Cap 30.5%	Core Bond 0.0%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Large Cap 1.4%	Broad U.S. Equities 12.6%	Broad U.S. Equities 33.6%	Intl Large Cap 17.3%	Mid Cap 14.4%	Mid Cap 15.5%
Broad U.S. Equities 15.0%	Emerging Markets 18.3%	Small Cap 25.5%	High Yield -2.1%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Core Bond 0.5%	Real Estate 11.8%	Large Cap 32.4%	Mid Cap 17.3%	Small Cap 13.5%	Small Cap 14.6%
Small Cap 12.4%	Mid Cap 17.1%	Intl Small Cap 25.0%	Hedge Funds -4.0%	Large Cap 21.8%	Large Cap 12.0%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Intl Small Cap 29.3%	Mid Cap Intl Equities 16.8%	Intl Small Cap 10.4%	Intl Small Cap 10.7%
Intl Small Cap 10.0%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Large Cap -4.4%	Broad U.S. Equities 21.1%	Commodities 11.4%	Hedge Funds -0.3%	Small Cap 4.9%	Intl Large Cap 22.8%	Broad U.S. Equities 16.4%	Emerging Markets 9.2%	Real Estate 8.8%
Hedge Funds 9.9%	Hedge Funds 10.9%	Broad Intl Equities 21.5%	Broad U.S. Equities -5.2%	Mid Cap 16.5%	Emerging Markets 11.2%	Bank Loans -0.4%	Hedge Funds 3.4%	Broad Intl Equities 15.3%	Small Cap 16.4%	Broad Intl Equities 8.9%	Intl Large Cap 8.1%
Intl Large Cap 8.3%	Broad Intl Equities 10.7%	Emerging Markets 18.4%	Mid Cap -9.1%	Small Cap 14.6%	Bank Loans 9.9%	Intl Large Cap -0.8%	High Yield 2.5%	Real Estate 11.0%	Large Cap 16.0%	Intl Large Cap 8.8%	Broad Intl Equities 7.5%
Broad Intl Equities 5.9%	Intl Large Cap 7.8%	Commodities 17.6%	Small Cap -11.0%	Hedge Funds 7.8%	Real Estate 8.0%	Mid Cap -2.4%	Bank Loans 2.1%	Hedge Funds 9.0%	High Yield 15.8%	Hedge Funds 7.4%	High Yield 7.4%
Real Estate 5.4%	Core Bond 7.5%	High Yield 14.3%	Intl Large Cap -13.8%	High Yield 7.5%	Broad Intl Equities 4.5%	Small Cap -4.4%	Emerging Markets -2.2%	High Yield 7.4%	Real Estate 10.5%	High Yield 6.5%	Emerging Markets 6.1%
Bank Loans 4.17%	High Yield 7.1%	Core Bond 8.7%	Commodities -13.8%	Real Estate 7.0%	Core Bond 2.6%	High Yield -4.5%	Broad Intl Equities -3.9%	Bank Loans 6.2%	Bank Loans 9.4%	Real Estate 6.1%	Hedge Funds 5.4%
High Yield 4.5%	Bank Loans 2.0%	Hedge Funds 8.4%	Broad Intl Equities -14.2%	Commodities 5.8%	Intl Small Cap 2.2%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Commodities 4.8%	Hedge Funds 4.8%	Bank Loans 4.6%	Bank Loans 5.0%
Emerging Markets -1.2%	Real Estate 1.6%	Bank Loans 8.2%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Large Cap 1.0%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Core Bond -2.0%	Core Bond 4.2%	Commodities 3.6%	Core Bond 3.0%
Core Bond -1.6%	Commodities -23.7%	Real Estate 6.4%	Intl Small Cap -17.9%	Core Bond 3.5%	Hedge Funds 0.5%	Commodities -32.9%	Commodities -33.1%	Emerging Markets -2.6%	Commodities 0.1%	Core Bond 2.9%	Commodities -4.8%

Source: Bloomberg as of September 30, 2021; hedge funds as of August 31, 2021, real estate as of June 30, 2021. Please see end of document for benchmark information.

Key market themes for the third quarter are the Delta Covid variant, which has added a wrinkle to the return to normal as well as the labor shortage and rising energy costs. Outside of the U.S., Evergrande in China, one of the larger land developers, has questions on its ability to meet its debt agreements. For the U.S. markets, we typically see a 3Q pullback and September saw negative results across many indices.

3Q21 Market Themes

- **Delta does its damage:** 2021 GDP projections move lower because of Delta impact, but surge appears to be fading as 4Q begins.
- **Labor shortages continue:** Lower labor force participation rates have left many companies short-staffed and unable to fulfill their growth potential; this dynamic bears watching and will serve as a headwind to full recovery until the pattern reverses.
- **Rising energy costs emerge as primary source of inflation worries:** Price growth for commodities and used cars has abated, but the looming winter coupled with soaring energy prices and ongoing supply chain issues has exacerbated inflation concerns; most experts expect inflation to remain elevated going into 2022.
- **Evergrande debt crisis stirs market volatility:** Evergrande's debt load and potential default ignited market volatility and fears of a global debt crisis, though it appears that the brunt of damage will be concentrated in China; U.S. credit markets appear healthy with tight spreads and very limited defaults.
- **Typical September for equity markets:** Consistent with most years, September was a down month for markets; tech sell-off, U.S. debt ceiling debate, and Evergrande issues drove losses for all indices. For 3Q, indices were mostly negative with the greatest losses in U.S. small-cap and EM.
- **Taper announcement expected in November:** Given the amount of QE and prevalence of low rates, the taper has potential to negatively impact equity markets, both domestically and abroad.
- **Earnings peak:** Data suggests that earnings peaked in 2Q, and the path forward for earnings will have a material impact on equity market returns for the remainder of 2021 and going into 2022.

Fixed income saw some losses in September.

Fixed income: Rates rise slightly as COVID cases subside

However, Evergrande contagion fears jitter markets along with tech-driven sell-off due to elevated valuation concerns

		1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Blm BC Aggregate	-0.87	0.05	-1.55	-0.90	5.36	2.94	3.01
Intermediate Indices	Blm BC Int. Gov./Credit	-0.57	0.02	-0.87	-0.40	4.63	2.60	2.52
Government Only Indices	Blm BC Long Gov.	-2.85	0.46	-7.40	-10.13	9.17	3.34	4.40
	Blm BC Int. Gov.	-0.60	0.00	-1.12	-1.33	3.98	1.99	1.81
	Blm BC 1-3 Year Gov.	-0.10	0.07	-0.02	0.03	2.67	1.65	1.18
	Blm BC U.S. TIPS	-0.71	1.75	3.51	5.19	7.45	4.34	3.12
Credit Indices	Blm BC U.S. Long Credit	-1.97	-0.18	-2.66	2.13	10.20	6.14	6.59
	Blm BC High Yield	-0.01	0.89	4.53	11.28	6.91	6.52	7.42
	CS Leveraged Loan Index	0.65	1.13	4.65	8.46	4.09	4.64	5.04
Securitized Bond Indices	Blm BC MBS	-0.36	0.10	-0.67	-0.43	3.85	2.17	2.41
	Blm BC ABS	-0.15	0.05	0.23	0.59	3.50	2.36	2.13
	Blm BC CMBS	-0.76	-0.03	-0.25	0.99	5.71	3.36	4.16
Non-U.S. Indices	Blm BC Global Aggregate Hedged	-0.94	0.09	-1.43	-0.56	4.64	2.89	3.57
	JPM EMBI Global Diversified	-2.07	-0.70	-1.36	4.36	5.65	3.89	5.80
	JPM GBI-EM Global Diversified	-3.43	-3.10	-6.38	2.63	3.66	2.06	1.05
Municipal Indices	Blm BC Municipal 5 Year	-0.46	0.13	0.30	1.08	3.87	2.41	2.52
	Blm BC HY Municipal	-0.65	0.38	6.53	11.33	7.44	6.00	6.68

Note: The local currency GBI index is hedged and denominated in U.S. dollars. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of September 30, 2021

The month of September was tough for Equity markets – negative for large and mid-caps and up slightly for small caps. Month to date in October has shored up some of the losses from September.

Sept. drop leads to mixed results for U.S. equities in 3Q

All major U.S. equity indices fell in September, leading to negative third quarter returns for mid- and small-cap stocks; large-cap growth companies eked out modest gains while their value-oriented counterparts slightly trailed

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Broad Market Indices							
Dow Jones	-4.2	-1.5	12.1	24.2	11.0	15.7	14.7
Wilshire 5000	-4.4	0.1	15.6	32.4	16.2	17.0	16.7
Russell 3000	-4.5	-0.1	15.0	31.9	16.0	16.9	16.6
Large-Cap Market Indices							
S&P 500	-4.7	0.6	15.9	30.0	16.0	16.9	16.6
Russell 1000	-4.6	0.2	15.2	31.0	16.4	17.1	16.8
Russell 1000 Value	-3.5	-0.8	16.1	35.0	10.1	10.9	13.5
Russell 1000 Growth	-5.6	1.2	14.3	27.3	22.0	22.8	19.7
Mid-Cap Market Indices							
Russell Mid-Cap	-4.1	-0.9	15.2	38.1	14.2	14.4	15.5
Russell Mid-Cap Value	-3.7	-1.0	18.2	42.4	10.3	10.6	13.9
Russell Mid-Cap Growth	-4.8	-0.8	9.6	30.5	19.1	19.3	17.5
Small-Cap Market Indices							
Russell 2000	-2.9	-4.4	12.4	47.7	10.5	13.5	14.6
Russell 2000 Value	-2.0	-3.0	22.9	63.9	8.6	11.0	13.2
Russell 2000 Growth	-3.8	-5.7	2.8	33.3	11.7	15.3	15.7

Source: Morningstar Direct as of September 30, 2021

Emerging markets have struggled with China a key contributor to losing returns.

Emerging markets struggle in third quarter

Developed markets outperform EM as China comes under pressure

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
MSCI ACWI	-4.1	-1.1	11.1	27.4	12.6	13.2	11.9
MSCI ACWI ex. U.S.	-3.2	-3.0	5.9	23.9	8.0	8.9	7.5
MSCI EAFE	-2.9	-0.4	8.3	25.7	7.6	8.8	8.1
MSCI EAFE Local	-1.3	1.3	14.2	27.2	7.2	9.0	10.1
MSCI Emerging Markets	-4.0	-8.1	-1.2	18.2	8.6	9.2	6.1
MSCI EM Local	-2.8	-6.7	0.7	16.9	9.5	10.4	8.7
MSCI EAFE Small-Cap	-3.6	0.9	10.0	29.0	9.0	10.4	10.7
MSCI EM Small-Cap	-2.0	-2.2	17.2	43.2	13.1	9.8	7.2
MSCI Frontier	1.2	3.4	18.9	32.2	10.8	9.5	7.1

Performance Overview - General Employees' Pension Plan

Mr. Obed stated that returns in the General plan are reflective of everything discussed so far. He mentioned returns are down, but ahead of the benchmark and provided the Committee with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of September 30, 2021.

MTD Performance (as of 9/30/2021)

Total Fund Composite: -3.0%
 Total Fund Policy Benchmark: -3.1%

FYTD Performance (as of 9/30/2021)

Total Fund Composite: -0.3%
 Total Fund Policy Benchmark: -0.8%

YTD Performance (as of 9/30/2021)

Total Fund Composite: 8.8%
 Total Fund Policy Benchmark: 8.8%

On the dashboard below, the top performers YTD are Earnest Partners, Legato and Artisan. At the bottom of the chart are Union Heritage, Channing and Hardman Johnston. There are no recommendations at the present time to make any changes.

COA General Employees' Manager Contribution – YTD Performance

<u>Top Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Earnest Partners SCC	+16.3%	+12.4%	U.S. Equity
Legato	+15.9%	+2.8%	U.S. Equity
Artisan Partners	+12.0%	+8.3%	International Equity

<u>Bottom Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Union Heritage LCC	+8.3%	+15.9%	U.S. Equity
Channing Capital	+13.9%	+22.9%	U.S. Equity
Hardman Johnston	+4.9%	+5.9%	International Equity

Performance Overview – Police Officers’ Pension Plan

Mr. Obed provided the Committee with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of September 30, 2021. The plan had similar results compared to the General plan.

MTD Performance (as of 9/30/2021)

Total Fund Composite: -2.9%
 Total Fund Policy Benchmark: -3.1%

FYTD Performance (as of 9/30/2021)

Total Fund Composite: -0.6%
 Total Fund Policy Benchmark: -1.0%

YTD Performance (as of 9/30/2021)

Total Fund Composite: 9.2%
 Total Fund Policy Benchmark: 9.2%

Looking at the dashboard below, Macquarie and Artisan have performed well, while LMCG is currently in liquidation.

COA Police Officers’ Manager Contribution – YTD Performance

<u>Top Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Macquarie SCC	+16.6%	+12.4%	U.S. Equity
Artisan Partners	+12.0%	+8.3%	International Equity

<u>Bottom Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
LMCG Investments SCG	-6.5%	+2.8%	U.S. Equity
Hardman Johnston	+4.9%	+5.9%	International Equity

Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed provided the Committee with the following current preliminary market values (MTD – Month to Date; FYTD – Fiscal Year to Date; YTD – Year to Date) as of September 30, 2021.

MTD Performance (as of 9/30/2021)

Total Fund Composite: -3.2%
 Total Fund Policy Benchmark: -3.1%

FYTD Performance (as of 9/30/2021)

Total Fund Composite: -0.9%
Total Fund Policy Benchmark: -0.9%

YTD Performance (as of 9/30/2021)

Total Fund Composite: 8.8%
Total Fund Policy Benchmark: 9.4%

Looking at the dashboard below, Garcia Hamilton and Hardman Johnston are the bottom performers.

COA Firefighters' Manager Contribution – YTD Performance

<u>Bottom Performers</u>	<u>Absolute Performance</u>	<u>Benchmark Performance</u>	<u>Strategy</u>
Garcia Hamilton	-2.3%	-1.6%	Fixed Income
Hardman Johnston	+4.9%	+5.9%	International Equity

Mohamed Balla joined the call at 10:32 a.m.

VII. NEW BUSINESS

Elections Update – Approve Final Ballot

Ms. Shah provided an update to the slate of candidates. In the General plan, there was an additional nomination that came in after the meeting on September 24th and one Police candidate withdrew. The City received a submission via U.S. mail for Dutch Robinson in the General Plan that had been postmarked during the nomination period, but didn't reach the City until after the Board meeting last month. Mr. Berry asked if another mailing would be sent out to include Mr. Robinson's information and Ms. Shah stated that she and Mr. Norman had discussed the situation and decided not to hold up the retiree mailing. Mr. Robinson's biography will be posted electronically, which can be accessed by both active and retired employees. Mr. Dec will have the City legal department review the bylaws to confirm that Mr. Robinson's information does not need to be mailed to retirees. Ms. Shah added that voting will occur November 15 through 19.

A motion was made by Mr. Hullender to provisionally approve the final ballot of candidates pending confirmation from City Legal. The motion was seconded by Mr. Light. The motion carried and the ballot was approved. Mr. Berry abstained.

VIII. OLD BUSINESS

There was no old business to discuss.

IX. APPEALS

Mr. Emerson provided a summary of the six (6) appeals to be heard today and after each summary, the retiree or his / her representative spoke about their appeal.

Thomas Bradford

Summary: Mr. Emerson presented that Thomas Bradford, current age 75, was a retiree from APS who started out on Disability Retirement and the overpayment occurred due to a Worker's Compensation offset. The offset should have stopped in 2000, but was not stopped until 2001, so Mr. Bradford was underpaid during that period. To correct the underpayment, he was given a one-time retro amount of \$1,459.20. However, that additional amount was continued monthly through 2019, resulting in a total overpayment of \$398,914.24. This was discovered in the 2019 KPMG audit and his benefit was reduced from \$4,665.68 to the correct amount of \$2,535.30 effective September 2019. The decision was made by the General Administrative Committee in October 2020 to reduce the corrected benefit by 25% (\$654.09) in an effort to recoup some of the overpayment. To collect the full overpayment, recoupment would need to continue for 50 years, which is well beyond the life expectancy of Mr. Bradford. The reduction began in May 2021 and this is an appeal of the recoupment.

Appeal Information: Mr. Thomas Dunn, pro-bono counsel for Thomas Bradford, presented a history of Mr. Bradford's life, including information on his family and their accomplishments as well as information of his time spent as a custodian for Atlanta Public Schools. Mr. Dunn also presented Mr. Bradford's appeals case for the recoupment of the overpayment. He noted that in August of 2019 Mr. Bradford received a letter that stated "it has come to our attention that there was an error made when entering your monthly pension benefit into our system." The 9/30/2019 pension benefit was corrected from \$2,909 to \$1450.40, with an additional \$1,084.90 Cost of Living Amount (COLA). This was a reduction of \$2,040.53 per month from what Mr. Bradford was previously receiving. Mr. Bradford worked with counsel and confirmed that he had been overpaid. At the time, no request was made for recoupment of the overpayment.

When checking his bank account on May 28, 2021, Mr. Bradford found that he was paid \$1,962.26 instead of his expected amount. Three days later, on May 31, he received a letter from the City of Atlanta Pension Center dated May 27, 2021 stating that the Committee voted on October 9, 2020 that overpayments would be repaid to the plan by reducing a participant's corrected benefit by 25% until the full amount of the overpayment was satisfied. Effective May 31, 2021 his benefit was being reduced by \$654.09 and the reduction would be effective through February 29, 2072.

Mr. Dunn noted that the Pension Fund took 25% of Mr. Dunn's benefit without prior notice and without the opportunity to be heard. This is the first time Mr. Bradford has had an opportunity to speak about the reduction. Mr. Dunn cited both Georgia law and City of Atlanta ordinances that provide protections to municipal and state pension benefits so that they cannot be attached or assigned. Mr. Dunn also presented arguments of legal impediments to recoupment of the overpayment. He added that the 25% reduction has put Mr. Bradford underwater financially and deprives him of the safety net he earned. Mr. Dunn stated that Mr. Bradford had no role or responsibility in the overpayment and is asking for complete waiver of the overpayment recoupment.

Mary Wyche

Summary: Mr. Emerson presented information for Mary Wyche, beneficiary of Thomas Wyche, an APS retiree. When Mr. Wyche retired in 2004, he signed a retirement application that stated he was due \$1,970.59 as a pension benefit. When he passed away in 2005, Mary Wyche signed her beneficiary application that stated Mr. Wyche was receiving \$1,970.59 per month and she was entitled to a benefit of 75% of that amount. Zenith sent an overpayment letter to Ms. Wyche in April 2020 stating that Thomas Wyche was actually receiving \$1,772.74 and as his beneficiary she was entitled to 75% of that amount, which was \$1,329.56. This caused an overpayment of \$29,683.95. Ms. Wyche's benefit was corrected in

April 2020. In October 2020, the General committee ruled to reduce her benefit by 25%, approximately \$460 per month, for approximately 5 years until the overpayment is recouped and the reduction began in May 2021. This is an appeal of the recoupment.

SBA reviewed the calculation and determined that the benefit was originally calculated incorrectly and there was a further overpayment of \$11,278.17. The recoupment that is currently in place does not take into account the additional overpayment.

Appeal Information: Mr. Andrew Gross, pro bono counsel for Mary Wyche, presented for Mary Wyche. He agreed with the arguments presented by Mr. Dunn as to why the overpayment recoupments were improper and unfair. He also stated that, under the legal principal of detrimental reliance, the victim should not be held liable for the mistakes of the other party. If there was a mistake in the calculation, it is not appropriate for the Board to reduce Ms. Wyche's benefits at this time to recoup the overpayment. He also asserted that there is ample case authority regarding pensions under state, city and municipal law to stop the Board from recouping the overpayments. He requested that the Board recognize the mistake, but keep Ms. Wyche's benefit at the corrected amount without recoupment of past overpayments. He suggested the Board seek recoupment of the overpayment from the party that made the calculation mistake.

Virginia Brooks

Summary: Mr. Emerson presented information for Virginia Brooks, an APS retiree. Ms. Brooks was in the 1964 pension plan, whose recipients were not entitled to receive COLA adjustments. However, she received COLA adjustments from January 2005 through March 2019, which caused an overpayment of \$101,253.30. In October 2020, the General committee ruled to reduce her benefit by 25%, approximately \$801 for 10 years until the overpayment is recouped and the reduction began in May 2021. This is an appeal of the recoupment.

It should be noted that a pause was taken during the summary to allow Ms. Brooks to connect to the meeting.

Appeal Information: Ms. Chandra Jones, counsel for Virginia Brooks, presented for Virginia Brooks. She stated that she had been retained within the past 24 hours and needed additional time to review the documents. Ms. Jones therefore requested a continuance from the Board in order to not deny Ms. Brooks her right to be heard.

Lee Ramey

Summary: Mr. Emerson presented information for Lee Ramey, an APS retiree. Mr. Ramey had his original calculation presented in 2001 and was informed in writing at the time of retirement his benefit would be \$2,145. He signed materials, which included his calculation and pension card. There is also internal documentation showing that to be the correct amount. However, his benefit was entered in the system as \$2,845 and he has since received COLA's based on that benefit amount from September 2001 through October 2019. These errors resulted in an overpayment of \$192,333.25. In February 2020, the Board heard Mr. Ramey's appeal and upheld that the corrected benefit amount should be his ongoing benefit and reserved the future right to collect the overpayment, all of which was communicated to Mr. Ramey. In October 2020, the General committee ruled to reduce Mr. Ramey's benefit by 25%, \$790.89 per month for 20 years until the overpayment is recouped and the reduction began in May 2021. This is an appeal of the recoupment.

Appeal Information: Ms. Youlanda Ramey presented for Lee Ramey. Ms. Ramey detailed the hardships the Ramey family was experiencing and asked Atlanta Public Schools (APS) to take responsibility for the overpayment.

Patricia Culpepper

Summary: Mr. Emerson presented information for Patricia Culpepper, the beneficiary of Wylie Culpepper, a City of Atlanta General Plan retiree. Mr. Culpepper was in the 1964 pension plan, whose recipients were not entitled to receive COLA adjustments. However, he received COLA adjustments from January 2009 through his death in December 2020, which caused an overpayment of \$26,811.48. In March 2021, the General committee voted to reduce the survivor benefit by 25%, \$315.46 per month for approximately 7 years until the overpayment is repaid. This is an appeal of the recoupment.

Appeal Information: Ms. Charlene Montfort presented for Ms. Culpepper. She stated that she understood there was an overpayment and asked the Board to have compassion due to the ill health of Ms. Culpepper.

Georgia Miller

Summary: Mr. Emerson presented information for Georgia Miller, a City of Atlanta General Plan retiree. Ms. Miller's retirement calculation did not limit the pay used for the benefit calculation to 80% of her pay. She signed a notarized retirement application stating that her benefit would be \$4,585.33; however, the benefit was set up as \$5,285.87. She was overpaid from September 2007 through August 2019 for a total overpayment of \$131,319.28. In October 2020, the General committee ruled to reduce Ms. Miller's benefit by 25%, \$1,450.24 per month for 7 years until the overpayment is recouped and the reduction began in May 2021. This is an appeal of the recoupment.

Appeal Information: It was noted that Ms. Miller presented objections to the reduction at the last board meeting. These objections detailed the hardship the reduction was causing.

Mr. Emerson asked that the Board enter Executive Session to discuss confidential matters.

A motion was made by Mr. Berry to enter into Executive Session. The motion was seconded by Ms. Overstreet. The motion unanimously carried and the Board entered Executive Session at 11:45 a.m.

A motion was made by Mr. Berry to adjourn the Executive Session. The motion was seconded by Mr. Light. The motion unanimously carried and the Board exited Executive Session at 1:18 p.m.

Chairman Sims asked Ms. Shah to present the Board's decision for vote. Ms. Shah stated that the Board's recommendation was as follows: Recoupment for overpayments will be limited to the last 6 years (72 months) of overpayments, any reduction to a participant's benefit to recoup overpayments will be spread over the actuarial life of the participant, and such reduction to recoup overpayments will be limited such that the participant's ongoing benefit will not be reduced by more than 25% of the uncorrected payment amount; provided that a participant's benefit will always be adjusted to the correct amount, regardless of the percentage reduction from the uncorrected payment amount.

A motion was made by Mr. Berry to approve the overpayment recoupment methodology as stated above. The motion was seconded by Mr. Balla. The motion unanimously carried and the overpayment recoupment methodology was approved.

A motion was made by Mr. Berry to approve the continuance request for Virginia Brooks. The motion was seconded by Mr. Norman. The motion unanimously carried and the continuance request for Virginia Brooks was approved.

Ms. Shah noted that she would recalculate the benefit payments for each of the appeals presented today and share them with the board.

X. QUESTIONS AND COMMENTS FROM AUDIENCE

A question was asked if the Board could break down the overpayment decision in layman's terms. Ms. Shah described the process as follows. First, the maximum overpayment that could be recouped is limited to the last 72 months of overpayment. This limited overpayment is spread over the lifetime of the payee and subtracted from the correct monthly benefit under the plan's terms. Finally, the correct benefit amount with recoupment is compared to a 25% reduction to the original, incorrect payment and the lesser of the two will be the ongoing benefit payment. Ms. Shah stated that SBA would be sending out a detailed explanation and individual impact analysis to each participant.

Mr. Emerson shared that the next step would be a written correspondence that would detail the adjusted amounts. If someone wishes to appeal the decision, the next appeal is to the courts. Mr. Dunn asked if the appeal period started now or when the adjusted calculation was received and Mr. Emerson replied the appeal period would start once the written correspondence was sent.

XI. DATE OF NEXT MEETING

The next Board meeting will be held on November 17, 2021.

XII. ADJOURNMENT

There being no further business to be brought before the Board at this time at 1:40 p.m. Chairman Sims called for adjournment.

Respectfully Submitted,


Chairman, Frank Sims

These minutes were adopted on NOVEMBER 17, 2021