

CITY OF ATLANTA DEFINED BENEFIT  
PENSION INVESTMENT BOARD MEETING

July 19, 2023

Atlanta City Hall Committee Room 1

10:00 A.M – 12:00 P.M.

**Investment Board Members**

David Brand	Chairman	Present
Lisa Gordon	Vice-Chairman	Absent
Mohamed Balla	City of Atlanta, CFO	Present
Tarlesha Smith	City of Atlanta, HR Commissioner	Absent
Antonio Lewis	Atlanta City Council Member	Absent
Howard Shook	Atlanta City Council Member	Absent
Jason Winston	Atlanta City Council Member	Present
Alfred Berry, Jr.	General Employees' Pension Plan – City	Present
Lisa Bracken	General Employees' Pension Plan – APS	Present
Quentin Hutchins	General Employees' Pension Plan – APS	Present
Brent Hullender	Firefighters' 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, Deputy CFO
Marlo Crossley	City of Atlanta, Finance
Pamela Goins	City of Atlanta, Finance
Fumnanya Johnson	City of Atlanta, Finance
Michael Naftaniel	City of Atlanta Employee Benefits Director
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
Derek Batts	Union Heritage
Jason Simpson	Garcia Hamilton
Joseph McLane	Macquarie
Lauren Albanese	FIN News
Nia Batts	Union Heritage
Daniel Berger	Grant & Eisenhofer Law Firm
Jeffrey Reeves	The Reeves Law Firm

## **I. CALL TO ORDER**

Chairman Brand called the meeting to order at 10:06 a.m. Chairman Brand 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**

**A motion was made by Mr. Balla 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**

There was no Public Comment.

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

The Board reviewed the Minutes of the June 21, 2023 regularly scheduled meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

**Following review of the June 21, 2023 Minutes, a motion was made by Mr. Balla to approve the Minutes as written. The motion was seconded by Mr. Berry. The motion unanimously carried and the June Minutes were approved.**

## **V. ATTORNEY'S REPORT**

Mr. Emerson stated that the RFP for an actuarial firm had been sent out and six (6) firms had responded to the RFP. The next step is to set up a sub-committee to review the responses. The six firms that responded are:

- Aon
- Cavanaugh MacDonald Consulting, LLC
- Foster & Foster Consulting Actuaries, Inc.
- Nyhart
- Segal
- Southern Actuarial Services Company, Inc.

Mr. Emerson also noted that the securities litigation law firms were present to provide an update on the Celsius Class Action Litigation suit and asked the Board to enter Executive Session.

**A motion was made by Mr. Berry to enter Executive Session. The motion was seconded by Mr. Hullender. The motion unanimously carried and the Board entered Executive Session at 10:10 a.m.**

**A motion was made by Mr. Hullender to exit Executive Session. The motion was seconded by Mr. Balla. The motion unanimously carried and the Board exited Executive Session at 10:19 a.m.**

**A motion was made by Mr. Berry to accept the proposed settlement in the Celsius Class Action Litigation suit. The motion was seconded by Mr. Hullender. The motion unanimously carried.**

Mr. Dec did not have anything to present from the City Law Department.

## **VI. INVESTMENT CONSULTANT REPORT – Marquette Associates**

Mr. Obed walked through the market environment and performance for the three Plans, focusing on individual Plan returns since June is the end of the fiscal year.

### **Performance Overview - General Employees' Pension Plan**

Mr. Obed stated that the General Plan ended the fiscal year on good footing ahead of the benchmark.

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 June 30, 2023.

#### **MTD Performance (as of 6/30/2023)**

Total Fund Composite: 4.0%  
Total Fund Policy Benchmark: 4.1%

#### **FYTD Performance (as of 6/30/2023)**

Total Fund Composite: 9.7%  
Total Fund Policy Benchmark: 8.8%

#### **YTD Performance (as of 6/30/2023)**

Total Fund Composite: 7.8%  
Total Fund Policy Benchmark: 7.8%

### **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 June 30, 2023. The Police Officers' Plan also outperformed the benchmark.

#### **MTD Performance (as of 6/30/2023)**

Total Fund Composite: 4.2%  
Total Fund Policy Benchmark: 4.2%

#### **FYTD Performance (as of 6/30/2023)**

Total Fund Composite: 9.8%  
Total Fund Policy Benchmark: 9.4%

#### **YTD Performance (as of 6/30/2023)**

Total Fund Composite: 7.4%  
Total Fund Policy Benchmark: 7.4%

### **Performance Overview – Firefighters' 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 June 30, 2023. He noted the Firefighters’ Plan also outperformed its benchmark similar to the Police and General Plans.

**MTD Performance (as of 6/30/2023)**

Total Fund Composite: 4.1%  
 Total Fund Policy Benchmark: 4.1%

**FYTD Performance (as of 6/30/2023)**

Total Fund Composite: 9.0%  
 Total Fund Policy Benchmark: 8.5%

**YTD Performance (as of 6/30/2023)**

Total Fund Composite: 7.4%  
 Total Fund Policy Benchmark: 7.2%

Mr. Obed added all three Plans ended the fiscal year ahead of the target rate of return.

After reviewing the individual Plan returns, Mr. Obed covered overall market conditions. He noted that the main takeaway from the table below is that the market is unpredictable and strong diversification is the best strategy. For example, in 2022 the best returns were in Commodities while this year Commodity returns are negative. Year to date, Large Cap stocks are up 17%.

## Year-to-date returns

2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	5yr	10yr
Large Cap 16.9%	Commodities 26.0%	Commodities 40.4%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Real Estate 6.7%	Emerging Markets 37.8%	Small Cap 21.3%	Real Estate 13.3%	Large Cap 13.7%	Large Cap 12.9%	Large Cap 12.9%
Broad U.S. Equities 16.2%	Real Estate 5.8%	Large Cap 28.7%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Hedge Funds 4.8%	Intl Small Cap 33.0%	High Yield 17.1%	Intl Small Cap 9.6%	Mid Cap 13.2%	Broad U.S. Equities 11.4%	Broad U.S. Equities 12.3%
Intl Large Cap 11.7%	Bank Loans -1.1%	Broad U.S. Equities 25.7%	Large Cap 18.4%	Mid Cap 30.5%	Bank Loans 1.1%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Large Cap 1.4%	Broad U.S. Equities 12.6%	Mid Cap 8.5%	Mid Cap 10.3%
Broad Intl Equities 9.5%	Hedge Funds -4.3%	Mid Cap 22.6%	Emerging Markets 8.3%	Small Cap 25.5%	Core Bond 0.0%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Core Bond 0.5%	Real Estate 6.7%	Real Estate 6.7%	Real Estate 8.3%
Mid Cap 9.0%	High Yield -11.2%	Real Estate 17.7%	Mid Cap 17.1%	Intl Small Cap 25.0%	High Yield -2.1%	Large Cap 21.8%	Large Cap 12.0%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Hedge Funds 4.4%	Small Cap 8.3%
Small Cap 8.1%	Core Bond -13.0%	Small Cap 14.8%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Large Cap -4.4%	Broad U.S. Equities 21.1%	Commodities 11.4%	Bank Loans -0.4%	Small Cap 4.9%	Intl Large Cap 6.2%	Intl Small Cap 6.2%
Bank Loans 6.3%	Intl Large Cap -14.5%	Intl Large Cap 11.3%	Hedge Funds 11.8%	Broad Intl Equities 21.5%	Broad U.S. Equities -5.2%	Mid Cap 18.5%	Emerging Markets 11.2%	Intl Large Cap -0.8%	Hedge Funds 3.0%	Small Cap 4.2%	Intl Large Cap 5.4%
Intl Small Cap 5.5%	Broad Intl Equities -16.0%	Hedge Funds 10.2%	Broad Intl Equities 10.7%	Emerging Markets 18.4%	Mid Cap -9.1%	Small Cap 14.6%	Bank Loans 9.9%	Hedge Funds -1.1%	High Yield 2.5%	Bank Loans 4.0%	Broad Intl Equities 4.7%
High Yield 5.4%	Mid Cap -17.3%	Intl Small Cap 10.1%	Intl Large Cap 7.8%	Commodities 17.6%	Small Cap -11.0%	Hedge Funds 8.6%	Real Estate 8.0%	Mid Cap -2.4%	Bank Loans 2.1%	Broad Intl Equities 3.5%	High Yield 4.4%
Emerging Markets 4.9%	Large Cap -18.1%	Broad Intl Equities 7.8%	Core Bond 7.5%	High Yield 14.3%	Intl Large Cap -13.8%	High Yield 7.5%	Hedge Funds 5.4%	Small Cap -4.4%	Emerging Markets -2.2%	High Yield 3.4%	Hedge Funds 4.3%
Hedge Funds 2.2%	Broad U.S. Equities -19.2%	Bank Loans 5.4%	High Yield 7.1%	Hedge Funds 10.5%	Commodities -13.8%	Real Estate 7.0%	Broad Intl Equities 4.5%	High Yield -4.5%	Broad Intl Equities -3.9%	Commodities 2.8%	Bank Loans 4.1%
Core Bond 2.1%	Emerging Markets -20.1%	High Yield 5.3%	Bank Loans 2.8%	Core Bond 6.7%	Broad Intl Equities -14.2%	Commodities 5.8%	Core Bond 2.6%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Intl Small Cap 1.3%	Emerging Markets 3.0%
Real Estate* -1.8%	Small Cap -20.4%	Core Bond -1.5%	Real Estate 1.6%	Bank Loans 8.2%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Small Cap 2.2%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Emerging Markets 0.9%	Core Bond 1.8%
Commodities -7.5%	Intl Small Cap -21.4%	Emerging Markets -2.8%	Commodities -23.7%	Real Estate 6.4%	Intl Small Cap -17.9%	Core Bond 3.5%	Intl Large Cap 1.0%	Commodities -32.9%	Commodities -33.1%	Core Bond 0.8%	Commodities -3.5%

Source: Bloomberg as of June 30, 2023. \*Real Estate through March 31, 2023. Please see end of document for benchmark information.

Additionally, Mr. Obed presented information on new investment manager recommendations that are being discussed for the three Plans. He stated that in the first quarter, the Plans had made some changes to the target allocation strategies and the Marquette research team was looking at a variety of managers and their

strategies. Some that would be proposed are currently managers in one Plan, but not the others, while other proposed managers would be new to all the City of Atlanta Plans, but have been used by Marquette in other portfolios. Mr. Obed stated a working group that included members from each Plan, the CFO and Chairman Brand were all a part of the analysis and discussion. Mr. Light noted that some of the fees in the alternatives are different from current fee structures and asked Marquette to push for the lowest possible fees. Mr. Obed noted that once Marquette entered contract negotiations, fees would be part of the discussions. He added that at the next meeting he would have an exhibit with specific managers and dollar amounts for each Plan.

**Following review of the list of potential managers, a motion was made by Mr. Hullender to allow Marquette to enter contract negotiations to add new Investment Managers for the General Employees', Fire Fighters' and Police Officers' Pension Plans. The motion was seconded by Mr. Balla. The motion unanimously carried.**

## **VII. NEW BUSINESS**

### **Special Election for the Fire Plan**

Mr. Hullender stated that the Retiree Representative on the Fire Fighters Administrative Committee has resigned and the Committee is in the process of holding a Special Election to replace the position. Ms. Shah presented the two candidates that have submitted resumes for the Board position: George Howell and Walter Waddell. She added the next step in the process was for this Board to approve the ballot and then the ballot can be sent to the retirees. The election period is slated for September 1 through September 8, and then the results can be confirmed by the Investment Board at the September meeting.

**A motion was made by Mr. Hullender to approve the two proposed candidates and the ballot for the Retiree Representative for the Fire Fighters' Pension Plan. The motion was seconded by Mr. Balla. The motion unanimously carried and the candidates and ballot were approved.**

### **Consequent Update**

Mr. Brand stated the three pension plans received \$3 million in July from the Consequent asset liquidation. He added there should still be more funds coming in the future.

## **VIII. OLD BUSINESS**

There was no Old Business to discuss this month.

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

There were no questions or comments at this time.

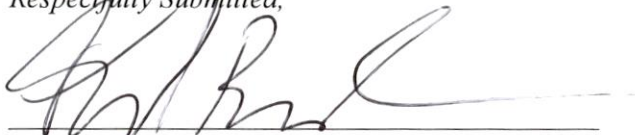
## **X. DATE OF NEXT MEETING**

The next Board meeting will tentatively be held on Thursday, August 24, 2023. The meeting will be in person at Atlanta City Hall in Committee Room 1.

**XI. ADJOURNMENT**

There being no further business to be brought before the Board at this time at 11:44 a.m. Chairman Brand called for adjournment.

*Respectfully Submitted,*

A handwritten signature in black ink, appearing to read 'David Brand', written over a horizontal line.

David Brand, Chairman

These minutes were adopted on August 16, 2023