

MINUTES

UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY PENSION BOARD

WEDNESDAY, FEBRUARY 7, 2018, 3:30 PM

The Athens-Clarke County Pension Board held a meeting on Wednesday, February 7, 2018 in the Satula Avenue Government Building Training Room. The following were in attendance.

ACCUG Pension Board Ordinance - Section 1-14-15 Members:

- 1. Harry Sims, Commissioner and Pension Board Chair**
- 2. Blaine Williams, Manager**
- 3. David Boyd, Finance Director**
- 4. Jeff Hale, Human Resources Director**
- 5. Johnny Fowler, Retiree Representative**
- 6. Kevin Gentry, General Employee Representative**
- 7. Mark Sizemore, Public Safety Representative**

Ex Officio members: **None in attendance**

Other ACCUG Professionals: **Robert Hiss, Assistant Manager**
 Chris Caldwell, Assistant Director of Finance
 Katherine Poss, Treasurer

Harry Sims called the meeting to order at 3:38 p.m. David Boyd made a motion to approve the minutes of November 8, 2017, and Kevin Gentry seconded the motion. The Board unanimously approved the November 8, 2017 minutes.

Cyril Theccanat, Chief Investment Officer for Consequent, provided summary of issues related to Pension Board vote to have Galliard moved from an Aggregate Index to the intermediate Galliard fixed income fund. David Boyd made a motion to adopt move to the intermediate Galliard fixed income fund, Mark Sizemore seconded the motion which carried unanimously.

Eric Atwater and Benjamin Law of Aon-Hewitt, presented information related to Aon replication of the Defined Benefit actuarial valuation as of June 30, 2017, and discussed how Aon would apply their methodology to that valuation going forward. Aon also provided assessment of ACCUG OPEB liability and update on related changes in OPEB Accounting Standards to include disclosure of Net OPEB Liability. Aon provided timeline for 2018 projects which includes an Experience Study on ACCUG Plans beginning February 2018, and benchmark of ACCUG retirement offerings against other comparable and competitor employers beginning March 2018.

Mr. Theccanat then provided the quarterly performance report for ACCUG. The plan assets were at \$238.04 million as of December 31, 2018. The plan return for the quarter was 4.25% and the return was 16.00% for the last 12 months. Mr. Theccanat also reviewed manager and fund performance for 2017, and over three, five and ten years.

As a result of the November 2017 meeting, Seizert Capital Partners was placed on a "watch list" per Pension Board policy due to ongoing poor performance and relative volatility of returns. Consequent will provide information on alternative managers for ACCUG at the May 9, 2018 Pension Board meeting.

Brad Lyons, Managing Director|Investment Consultant, for Consequent informed the Board of a balance accrual of \$548,000 in the American Funds Europacific account. The following options for those funds were considered:

1. Increase allocation in international equities;
2. Transfer to cash account for organizational use; or
3. Increase allocation of domestic equities.

After some discussion and recommendation by the Treasurer, Katherine Poss, David Boyd made motion to use the \$548,000 balance to increase ACCUG allocation to international equities. Blaine Williams seconded the motion, which was carried unanimously.

In concert with the switch of Galliard fixed income fund, the Board had need to amend the Pension Board Investment Policy Statement (IPS) to reflect changes to the fixed income benchmark, the allowed target allocations and other bond investment characteristics. David Boyd made a motion to adopt the proposed revisions to the IPS, and that motion was seconded by Mark Sizemore. The Board voted to adopt the revisions unanimously.

Harry Sims announced he will be resigning from his position as ACCUG commissioner, and thus Chair of the Pension Board, in March 2018, so that he may qualify for the Mayoral election. On behalf of active employees and retirees over the last 25 years, the Board thanks Mr. Sims for his service and commitment. Mr. Sims wished for the Board continued success in conservative stewardship of a fund he saw grow from some \$32 million dollars to the current \$238 million. Mr. Sims announced that he would be succeeded by ACCUG Commissioner Mike Hamby who has been appointed as Pension Board Chair by Mayor Nancy Denson.

The October – December 2017 retirements and deceased members were provided to the Board via e-mail in advance of the meeting. The next meeting is scheduled for May 9, 2018 at 3:30 pm. The meeting adjourned at 4:41 p.m.

Respectfully submitted,
Jeff Hale,
Serving as Secretary to the Pension Board and Human Resources Director