

MINUTES
UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY PENSION BOARD
SPECIAL CALLED MEETING
WEDNESDAY, APRIL 25, 2018, 4:15 PM

The Athens-Clarke County Pension Board held a special called meeting on Wednesday, April 25, 2018 in the Satula Avenue Government Building Training Room. The following were in attendance.

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

- 1. Mike Hamby, Commissioner and Pension Board Chair**
- 2. David Boyd, Finance Director**
- 3. Jeff Hale, Human Resources Director**
- 4. Mark Sizemore, Public Safety Representative**

Not Present:

- 1. Blaine Williams, Manager**
- 2. Johnny Fowler, Retiree Representative**
- 3. Kevin Gentry, General Employee Representative**

Ex Officio members: **Bill Berryman, Attorney**
 Laura Welch, Assistant Human Resources Director
 Traci Mason, Benefits and Wellness Administrator

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

Mike Hamby, Commissioner and Pension Board Chair called the meeting to order at 4:16 p.m. Jeff Hale introduced discussion of the following:

- At the May 2017 Pension Board Meeting, Brad Lyons, Managing Director and Investment Consultant introduced himself to the Board representing Consequent Capital Management (Consequent), which bought Gray and Company – our previous and long-standing investment consultant.
- The Board expressed dissatisfaction with the timing and manner of notice, having been notified of the change by e-mail the week of the Board's May meeting.
- Consequent has provided Mr. Lyons and its CIO, Cyril Theccanat as representatives to the Pension Board Meetings of August 2017, November 2017 and February 2018. During this period, ACCGov has received a number of updates related to legal troubles in which Consequent is involved.
- While ACCGov returns on investment for the Pension Fund have been substantial and Consequent has provided relatively seamless service, there are concerns over 1) our basis for contract with Consequent is the result of a buyout rather than selection by the Board and

approval by the Mayor and Commission, and 2) legal issues from which Consequent may or may extricate itself.

In light of the above, and for the following reasons, the Pension Board may have need for additional due diligence regarding our current investment consulting services.

1. We did not choose Consequent through any ACCGOV authorized procurement process;
2. Legal issues with CEO, Earl Robinson and Consequent and the appearance thereof;
3. Overarching fiduciary responsibility where no known recent methodical review and selection of Investment Consulting services for DB;
4. Change and growth of ACCGOV DB Plan from \$60m to \$250m may require different level of services, offer new/different investment options;
5. Need to consider more proactive, professional services that may include some combination of outsource (OCIO) and Pension Board oversight; and
6. High level of scrutiny of public funds like our DB Plan.

In discussion, the board noted the following:

- The Pension Fund has been transferred twice to a new broker involuntarily since last going out to bid.
- The Pension Board is not under any contractual obligation for investment consultant services. It has simply been notified of the involuntary transfer to a new broker.
- The Pension Board should examine other consultants, given that it has not engaged in an RFP process for investment consultant services since 2003.
- Consequent will attend the May 8 meeting, but the Board will not discuss the prospect of engaging in an RFP process at that meeting.

Action:

- Mark Sizemore made a motion to develop a Request for Information for Investment Consulting Services. Jeff Hale seconded the motion. The board voted unanimously to approve the motion.

The meeting was adjourned at 4:34 p.m.

Respectfully submitted,



Laura Welch,
Assistant Human Resources Director
Secretary to the Pension Board