

MINUTES
UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY PENSION BOARD
SPECIAL CALLED MEETING
WEDNESDAY, August 8, 2018, 3:30 PM

The Athens-Clarke County Pension Board held a meeting on Wednesday, August 8, 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. **Blaine Williams, Manager (3:40pm)**
3. **David Boyd, Finance Director**
4. **Jeff Hale, Human Resources Director**
5. **Johnny Fowler, Retiree Representative**
6. **Kevin Gentry, General Employee Representative**
7. **Mike Hunsinger, Public Safety Employee Representative**

Ex Officio members: **Bill Berryman, Attorney (4pm)**
 Laura Welch, Assistant Human Resources Director

Other ACCUG Professionals: **Robert Hiss, Assistant Manager**
 Jestin Johnson, Assistant Manager (4:06pm)
 Chris Caldwell, Assistant Finance Director

Mike Hamby, Commissioner and Pension Board Chair called the meeting to order at 3:35 p.m. David Boyd made a motion to approve the minutes of the August 8, 2018 meeting, seconded by Kevin Gentry. The Board unanimously approved the August 8, 2018 minutes.

David Boyd distributed the Recommended FY19 Operating Budget for the Government's Pension Program (Attachment 1). He requested that the Pension Board (1) Adopt the FY19 Operating Budget; and (2) Authorize the withdrawal of up to \$6.5 million from pension investments during the fiscal year to cover pension fund expenses. Kevin Gentry made a motion, seconded by Johnny Fowler. The motion passed unanimously to adopt the FY19 Operating Budget as presented and authorize withdrawal of up to \$6.5 million for expenses during FY19.

Laura Welch provided a resolution prepared by Attorney Bill Berryman to delegate authority to initiate and verify transactions from investment funds (Attachment 2). The resolution authorizes the following persons to act as initiators: Jeff Hale, Laura Welch, David Boyd, and Chris Caldwell. It authorizes Jeff Hale to act as Verifier. David Boyd moved to adopt the resolution. Jeff Hale seconded the motion, which passed unanimously.

Eric Atwater and Ben Law of Aon Hewitt presented the Experience Study and Preliminary Valuation Results (Attachment 3). Blaine Williams explained to the board that the Pension Board would review further review the study results and vote on changes at a later date, but before the November meeting. Blaine also reminded the board that an 8% discount rate is beyond what Aon can certify, despite the fact that investment returns have exceeded 8%. David Boyd expressed concern about bond ratings if we lowered the discount rate. Eric Atwater informed the board that Moody's would rate ACC at a net positive and that between 5.5 and 7.2 would be acceptable for a discount rate,

based on the results of the experience study. Aon indicated that they following action would be required of the board: (1) agree or disagree with Aon's assumptions; (2) identify which changes the board would like to adopt; (3) provide information for the Comprehensive Annual Financial Report and for disclosure purposes. Blaine Williams reminded the board that decisions about funding changes rest with the Mayor & Commission.

Robinson and Brad Lyons of Consequent Investment provided the quarterly performance report for ACCGOV. The plan assets were at \$237.80 million as of June 30, 2018. The plan return for the quarter was 1.4% and the return was 9.3% for the last 12 months.

David Boyd expressed an interest in seeing how well the funds are performing over time individually, by fund. He indicated that Europacific was not performing well. Mr. Robinson suggested that Consequent research long-term performance of the fund and report back.

The board discussed midcap provider presentations and discussed terminating Seizert and place providers with two quarters of negative performance on watch. David Boyd stressed the importance of exploring other midcap managers. Consequent encouraged diversification so that funds are not correlated. Blaine Williams made the motion to interview the top two mid cap managers (Edge and Champlain). Jeff Hale seconded the motion, which passed unanimously. Consequent will arrange the interviews and provide additional information on the funds.

Brad Lyons of Consequent agreed to work with Aon to schedule educational sessions for new Pension Board Members Mike Hamby, Mike Hunsinger, and existing board members Johnny Fowler and Kevin Gentry in September.

Sherrie McDuffy requested that the Pension Board distribute the minutes of the meetings to employees.

Johnny Fowler acknowledged thanks for the increase that was approved by the Mayor & Commission as part of the FY19 budget process.

There will be a special called meeting of the Pension Board in October to discuss the Aon recommendations and to conduct a review of mid cap providers.

The next meeting is scheduled for November 6, 2018. The meeting was adjourned at 5:10 p.m.

Respectfully submitted,



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