

FULTON COUNTY SCHOOLS EMPLOYEES' PENSION FUND
PENSION BOARD
MINUTES
May 11, 2022

The Fulton County School Employees' Pension Fund Pension Board ("Pension Board") met in regular quarterly meeting on May 11, 2022, at 2:00pm at South Learning Center, 4025 Flat Shoals Road, Union City, Georgia 30291.

Pension Board members present: Mr. Marvin L. Dereef, Jr., Mr. Ronnie Wade, Mr. John Anderson, Mr. Stuart Berry and Dr. Mike Looney.

Absent Pension Board member: Mr. Sam Ham and Ms. Lisa Sutton

Dr. Looney served as Chair of the meeting. Ms. Suzanne L. Hatfield, Executive Director of Accounting and Retirement Services served as secretary of the meeting.

Also present were: Ms. Cheryl Shaw, Parker Poe; Ms. Greta Tinaglia, Deputy Chief Financial Officer; Mr. Charles Robinson, Retirement Services Coordinator, Mr. Maurice Roebuck, Fiscal & Community Services Analyst for Retirement Services; Mr. Andrius Maddox, Financial Analyst Retirement Services; Ms. Fredrica Jones, Retirement Services Specialist; Ms. Kendall Cherry, Retirement Services Specialist; Mr. John Hagan, SEI Private Trust Company; Mr. Jonathan Waite, SEI Private Trust Company; Mr. Ed Koebel of Cavanaugh MacDonald Consulting; Mr. Randy Stewart, Communications Manager; Mr. Mohammad Jomaa, Communications Specialist. Special Guests: Ms. Estrada, widow of Mr. Ferman Estrada, and Ms.

Call to Order

The Chair called the meeting to order, and at the Chair's request, Mr. Stuart Berry led the Pledge of Allegiance.

Recognitions

Dr. Looney acknowledged the contributions of Mr. Ferman Estrada, who passed away in February.

Ms. Hatfield welcomed new staff members to the team, Mr. Charles Robinson, Coordinator Retirement Services and Ms. Kendall Cherry, Retirement Services Specialist.

Action Items

a. Approval of Agenda

The Chair noted a copy of the agenda had been provided to Pension Board members in advance of the meeting and was posted on the website.

A motion to approve the Pension Board Agenda for the May 11, 2022, meeting was made by Mr. Marvin Dereef and seconded by Mr. Ronnie Wade and was unanimously approved.

b. Approval of February 9, 2022, Meeting Minutes

The Chair noted Pension Board members had been provided a copy of the minutes of the February 9, 2022, meeting in advance of this meeting. He also noted all approved minutes will be available for public view on the Retirement Services website.

A motion to approve the February 9, 2022, meeting minutes was made by Mr. John Anderson and seconded by Mr. Ronnie Wade, and unanimously approved.

c. Approval of FY2023 Pension Board Meeting Schedule

At the request of the Chair, Ms. Suzanne Hatfield, Executive Director of Accounting & Retirement Services, presented the FY2023 Pension Board Meeting Schedule.

A motion to approve the FY2023 Pension Board Meeting Schedule was made by Mr. John Anderson and seconded by Mr. Marvin Dereef, and unanimously approved.

d. Approval FY2023 Pension Fund Budget

At the request of the Chair, Ms. Hatfield presented the FY2023 Pension Fund Budget which included a new position, Payroll Specialist.

A motion to approve the FY2023 Pension Fund Budget was made by Mr. Marvin Dereef and seconded by Mr. Ronnie Wade, and unanimously approved.

e. Approval of Annual 2022 Cost-of-Living Adjustment (COLA)

At the request of the Chair, Ms. Hatfield presented the Annual 2022 Cost-of-Living Adjustment (COLA) increase of 3% to begin July 1, 2022. The benefit will be realized and received by eligible participants and beneficiaries on the July 31, 2022, pension benefits check.

A motion to approve the Annual 2022 Cost-of-Living Adjustment (COLA) was made by Mr. John Anderson and seconded by Mr. Marvin Dereef, and unanimously approved.

Reports

f. Pension Payroll Report (February 2022, March 2022 & April 2022)

At the request of the Chair, Mr. Maurice Roebuck, Fiscal & Community Services Analyst for Retirement Services, presented the Pension Payroll Report.

g. Legislative Update

There are currently no new legislative updates.

h. 3rd Quarter Treasurer's Report

At the request of the Chair, Ms. Suzanne L. Hatfield, Executive Director of Accounting & Retirement Services, presented the Treasurer's Report for the period ending March 31, 2022.

At March 31st we had total assets of over \$526.3 million, total liabilities of \$1.7 million and a net position of \$524.6 million. There were total pension contributions of \$21.0 million and other local income composed of \$11.9 million in interest/dividends on investments, gain on sale of investments of \$55.7 million and change in market value of investments of \$-79.6 million. Total revenues through March 31st are \$9.0 million. Expenditures include administrative expenses totaling \$1.2 million and pension benefits of \$26.7 million.

i. 2nd Quarter Treasurer's Report Correction

The Treasurer's Report ending December 31st was incomplete due to the early financial closing associated with the Atlas Implementation and Migration of data.

As of December 31st we had \$554.0 million in assets, \$1.2 million in liabilities and a net position of nearly \$552.8 million. Revenues included total pension contributions of \$13.5 million, gain on sale of investments of \$55.3 million and change in market value of investments of \$-50.0 million. Expenditures included administrative expenses totaling \$631 thousand and pension benefits of \$17.7 million.

j. FY2021 Actuarial Report

At the request of the Chair, Mr. Ed Koebel of Cavanaugh MacDonald Consulting presented the FY2021 actuarial valuation report.

Asset returns during FY2021 were 27.03% vs. the 7.00% expected return. Actuarial asst return of 10.88% vs. 7.00% expected return. There was an unrecognized asset gain of \$58.6 million which will be recognized over the next four years.

The unfunded actuarial accrued liability decreased to \$33.5 million. The funded ratio increased from 87.7% to 93.5%.

The actuarial determined employer contribution decreased \$1.2 million to \$24.4 million.

On June 30, 2021, we had 1,846 active members and 2,962 retirees

k. Investment Performance Review

At the request of the Chair, Mr. John Hagan of SEI Investments presented the 1st quarter 2022 Portfolio Review of Fulton County School Employees' Pension Fund which included a report of the Plan's investment performance for the period ending March 31, 2022.

As of the close of the market on March 31, 2022, the assets decreased to \$522.0 million. The 1st quarter return was -5.1%; the 1-year return was 3.5%, and the 3-year return was 10.4%. The return since inception of 9.2% has outperformed the expected return of 7.0% established by the Pension Board and Plan's actuary.

Our consultants are recommending portfolio changes as allowed by Official Code of Georgia Annotated §47-20-87 which allows eligible large retirement system to invest in certain alternative investments which shall not in the aggregate exceed 10 percent of the assets at any time.

Executive Session

A motion to adjourn to Executive Session to discuss investment securities and portfolios, personnel and other matters as permitted by law and to return to public session at the conclusion of the Executive Session was made by Mr. Marvin Dereef and seconded by Mr. John Anderson and unanimously approved.

The Pension Board adjourned to Executive Session at 2:45pm and returned to public session at 3:06pm.

No actions were taken in Executive Session that required Board approval.

Adjournment

With no further business, the meeting was adjourned at 3:07pm.

The Pension Board meeting schedule along with links to the Pension Board meeting video will be available on the Retirement Services website.

Suzanne L. Hatfield for Marvin L. Dereef, Jr., Pension Board Secretary

Exhibits to Minutes:

March 31, 2022 Investment Performance Review

March 31, 2022 Treasurer's Report

December 31, 2021 Treasurer's Report

Pension Payroll Report (February, March & April 2022)

June 30, 2021 Actuarial Valuation Report

June 30, 2021 Actuarial Valuation Presentation