

# MINUTES

## BOARD OF COMMISSIONERS OF THE MAGISTRATES RETIREMENT FUND OF GEORGIA

Monday, August 20, 2018

Griffin, Georgia

A regular meeting of the Board of Commissioners of the Magistrates Retirement Fund of Georgia was held on Monday, August 20, 2018 at 10:00 a.m. at the Peace Officers' Annuity and Benefit Fund of Georgia located in Griffin, Georgia.

### I. CALL TO ORDER

A. Judge Tommy Bobbitt, Chairman, called the meeting to order at 10:00 a.m. The following is a listing of persons present at the meeting:

#### i. Board Members

- a. Judge Tommy Bobbitt, Chairman
- b. Judge Mary Kathryn Moss, Board Member (via teleconf)
- c. Judge Berryl Anderson, Board Member (via teleconf)
- d. Britt Brewer, Board Member
- e. Judge Rita Cavanaugh, Board Member
- f. Judge Connie Holt, Board Member

#### ii. Financial Advisors

- a. Jim Fallon, Morgan Stanley

The first order of business was to Amend the Agenda. Judge Cavanaugh made a motion, seconded by Judge Holt, to amend the Agenda to add a report from fund actuaries, Buck. The vote was unanimous.

Mike Rowe and Kevin Zander were present with a report of the June 30, 2017 preliminary valuation results. The report reflected an overall favorable experience for the year end 2017, with an approximate return of 7.7%. The actuaries recommended an update to the mortality improvement scale by adopting the Buck modified MP-2017 projection scale. This will lower the actuarial accrued liability by approximately \$88K and reduce the required contribution from \$809K to \$795K.

Judge Holt made a motion, seconded by Judge Cavanaugh, to accept the Buck report and approve the proposed assumption changes to the Buck modified MP-2017 report. The vote was unanimous.

### II. APPROVAL OF MINUTES

#### A. Minutes

- i. Board Members reviewed the minutes from the April 23, 2018 Board

Meeting. Judge Holt made a motion to approve the minutes. It was seconded by Judge Anderson, and the minutes were unanimously approved.

### III. REPORTS BY OFFICERS AND COMMITTEES

- A. Jim Fallon presented a performance summary of the Magistrates Retirement Fund for quarter ending June 30, 2018. He advised the fund is up to \$28,905,128.58 as of August, and the rolling 12-month return is at 7.88% of this past Friday. However, he suggested not getting overly aggressive as we are still in a very volatile market. And, he reiterated the volatility will continue but we will continue with good solid managers. Mr. Fallon projected we will have a correction at some point.

As to the performance, BMO is lagging and currently holding \$3.85 million.

After a lengthy discussion and additional information provided by Mr. Fallon, the consensus of the Board was to terminate BMO on low volatility.

Judge Holt made a motion, seconded by Britt Brewer, to terminate BMO and move the \$3.85 million to another manager. The vote was unanimous.

Judge Holt made a motion, seconded by Judge Cavanaugh, to move the \$3.85 million from BMO, and \$1.2 million from Sage, for a total of \$5 million, to Greensquare Capital, US Large Core. The vote was unanimous.

Mr. Fallon advised the Board could discuss reallocation in the next quarter if necessary.

- B. Chairman Bobbitt discussed the implications of HB571 regarding beneficiaries, and stated letters will be going out to all the active and vested Magistrate Judges with details about the changes.

Chairman Bobbitt advised that we have one judge who is quite delinquent in her dues and proposed sending a letter. She will have until September 30 of this year to bring her account current. If not, she will be dropped from membership until January 1 of her next term.

Judge Moss made a motion, seconded by Judge Cavanaugh, for Chairman Bobbitt to send a letter to Chief Magistrate of Rockdale County, notifying of delinquent dues and if full payment is not received by September 30, 2018, she will be dropped from active membership until January 1 of her next elected term. The vote was unanimous.

Chairman Bobbitt said the fund gave a 1.5% Cost of Living Increase and raised the Salary Cap by 1.5% in 2016. He asked for input regarding the upcoming year.

Judge Holt made a motion, seconded by Judge Anderson, to have Buck conduct a study on a 3% COLA to be effective January 1, 2019. The vote was unanimous.

The consensus of the Board was for Buck to complete a study regarding a future 3% Salary Cap.

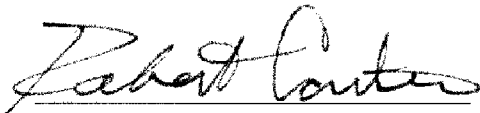
- C. Brandt Barlow presented the Financial Report for the quarter ending June 30, 2018. Judge Holt made a motion, seconded by Judge Moss, to approve and accept the report. The vote was unanimous.

There was discussion regarding an empty seat on the Board that is the Governor's designee. Chairman Bobbitt said the current Board members have been reappointed to their seats.

#### IV. ADJOURNMENT

There being no further business to come before the Board, Britt Brewer made a motion to adjourn at 11:45, seconded by Judge Cavanaugh and the vote was unanimous.

Respectfully Submitted,



Robert W. Carter  
Secretary/Treasurer

The above and foregoing minutes were approved at the meeting held on the 19th day of November, 2018.