

# MINUTES

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

Monday, August 24, 2020  
Griffin, Georgia

A regular meeting of the Board of Commissioners of the Magistrates Retirement Fund of Georgia was held on Monday, August 24, 2020 at 10:00 a.m. by teleconference.

### 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
- c. Judge Rita Cavanaugh, Board Member
- d. Judge Connie Holt, Board Member
- e. Judge Berryl Anderson, Board Member
- f. Cody Whitlock, Board Member

#### ii. Financial Advisors

- a. Chad Smith, Morgan Stanley
- b. Kevin Spanier, Buck
- c. Lisa Bjornson, Buck

### II. APPROVAL OF MINUTES

#### A. Minutes

- i. Board Members reviewed the minutes from the May 18, 2020 Board Meeting. Judge Moss 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. Chad Smith of Morgan Stanley, presented a capital market overview, stating there has been a pretty strong rebound due to a massive stimulus and support around the world. We can expect that to continue for the foreseeable future. This is similar to the after effects of 2008. We have seen some dollar weakening in the last couple of months. Post COVID, this year is going to be a write-off but we have recovery expectation in 2021. The S&P was up 20% for the quarter. Some areas are still weak but small cap stocks are up 25%. Internationally, the bond market is up 2.9%.

Mr. Smith presented an Executive Summary of the retirement fund, pointing out a quarter rebound of 12.25%. Overall, the fund has weathered the storm fairly well. Kayne Anderson, Lazard and Sage all performed very well for the quarter. Principal Street had a good quarter in core strategy. However, they have been on a watch list and will remain so as we continue to scrutinize them. As of the end of the quarter 6/30/2020, the fund was at \$33,657,595.00.

Mr. Smith provided a detailed review of individual managers.

Chairman Bobbitt inquired about the impact to the fund if the results of the election should create a significant tax increase. Mr. Smith said that would have a negative effect on an already vulnerable market. He discussed asset allocation, stating we need to be more value conscious. He proposed that if certain trends begin to occur, a called meeting of the board would be in order to discuss a tactical approach. There is still a lot to unfold before the election. Historically, the market tends to like the idea of a divided government as it allows for more predictability for planning. Mr. Smith advised we do need to be careful with the growth tilt as we should be leaning more toward value.

Mr. Smith presented an executive summary of a Wealth Strategies Analysis that included a discussion regarding asset allocations. He said we're moving more toward different strategies and proposed allocating more to Kayne Anderson Rudnick as SMID manager. There was continued review of the current scenario versus changes.

Following extensive discussion, Judge Moss made a motion to make a change in the Asset Allocation structure by moving the fund to Mix 3 on page 3 of the Wealth Strategies Analysis, as presented by Chad Smith. Judge Cavanaugh seconded the motion. The vote of the board to approve was unanimous.

- B. Kevin Spanier and Lisa Bjornson of Buck presented the June 30, 2019 preliminary funding valuation results. Ms. Bjornson said the overall experience was favorable with a return of 8.8% versus the anticipated 6.5%. Mr. Spanier covered the potential risks for the fund that included the investment risk, the fluctuation of fines and fees, a cost of living increase and demographic risks. Ms. Bjornson reviewed the base mortality tables and the mortality projection scales.

Judge Moss made a motion to update the base mortality table to PubG-2010, and to update the mortality improvement scale from Buck modified version of MP-2018 to Buck modified version of MP-2019. Judge Holt seconded the motion and the vote was unanimous.

There was brief discussion regarding a study for a cost of living increase of 1.5% and a salary cap increase of 1.5%.

Judge Moss made a motion for Buck to prepare a study regarding a 1.5% cost of

living increase and a 1.5% salary cap increase for the Magistrate Retirement Fund, to be effective January 1, 2021. Judge Anderson seconded the motion, and the vote of the board to approve was unanimous.

- C. Brandt Barlow presented an Income and Expense Report, advising we are down about \$87,000 in court fees compared to this time last year. Judge Anderson made a motion, seconded by Judge Holt, to approve and accept the Income and Expense Report for Qtr Ending June 30, 2020. The vote of the board to approve was unanimous.
- D. Bob Carter presented a membership report for the quarter. There was discussion regarding vacancies left in some counties due to recent deaths.

#### **IV. NEW BUSINESS**

Judge Holt made a motion, seconded by Judge Moss, to approve a refund of dues in the amount of \$6,293.28 to Judge Gary Charles Daniel of Chattahoochee County. The vote of the board to approve was unanimous.

#### **V. FUTURE MEETING SCHEDULE**

Judge Holt made a motion to accept the future meetings as Monday, November 16, 2020, Monday, February 15, 2021 and Monday, May 17, 2021. Judge Anderson seconded the motion, and the vote of the board to approve was unanimous.

#### **VI. ADJOURNMENT**

There being no further business to come before the Board, Judge Cavanaugh made a motion to adjourn at 12:07 P.M., seconded by Judge Holt, 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 16th day of November, 2020.