

MINUTES

BOARD OF COMMISSIONERS OF THE MAGISTRATES RETIREMENT FUND OF GEORGIA

Monday, May 17, 2021
1208 Greenbelt Drive
Griffin, Georgia 30224

A regular meeting of the Board of Commissioners of the Magistrates Retirement Fund of Georgia was held on Monday, May 17, 2021 at 10:00 a.m.

I. CALL TO ORDER

The meeting was called to order at 10:00 a.m. The following is a listing of persons present at the meeting:

A. Board Members

- a. Judge Tommy Bobbitt, Chairman
- b. Judge Mary Kathryn Moss, Board Member (via video conf)
- c. Judge Rita Cavanaugh, Board Member
- d. Judge Connie Holt, Board Member
- e. Judge Berryl Anderson, Board Member
- f. Judge Brendan Murphy, Board Member
- g. Cody Whitlock, Board Member (via video conf)
- h. Robert Schivera, Attorney to the Board (via video conf)

B. Financial Advisors

- a. James Fallon, AmRet
- b. Paul Troup, AmRet
- c. Neal Kaplan, AmRet
- d. Kevin Spanier, Buck
- e. Lisa Bjornson, Buck

II. APPROVAL OF MINUTES

Judge Moss made a motion, seconded by Judge Holt, to approve the Minutes of the Board Meeting held on March 29, 2021. The vote of approval was unanimous.

III. REPORTS OF OFFICERS AND COMMITTEES

Kevin Spanier of Buck presented an overview of the plan experience for year ending June 30, 2020, stating the results were favorable. Overall, the total net actuarial gain for the year was about \$698 thousand. There was plenty of funding coming in to

support the 1.5% COLA and the 1.5% increase in earnings cap effective January 1, 2021.

Lisa Bjornson discussed the potential risks to the fund that included investments, contributions, COLAs and demographic risks. However, this is a young fund and the risk possibility is low. Minimum funding standards are met and the Magistrate plan is well funded.

Based on Buck's recommendation, Judge Holt made a motion, seconded by Judge Cavanaugh, to update the mortality improvement scale from Buck Modified version of MP-2019 to Buck Modified version of MP-2020. The vote of approval was unanimous.

Kevin Spanier advised there is no reason not to increase the COLA and salary cap in July if the board chooses to do so.

Judge Holt made a motion, seconded by Judge Anderson, approving a Cost of Living increase of 1.5%, and a salary cap increase of 1.5%, both to be effective July 1, 2021. The vote of approval was 6 voting "yes" and 1 abstention by Chairman Bobbitt.

CFO Brandt Barlow presented the Investment report submitted by Morgan Stanley. As of Friday, May 14th, the fund totaled \$41,833,000. There was discussion regarding managers not meeting the benchmark and compliance with the Investment Policy Statement. Bob Schivera said the new investment management will update the IPS.

Mr. Barlow presented the budget report for FY2022. There was discussion about the new census numbers and their effect on benefits. Homer Bryson advised the county level census data won't be available until after August or so.

Judge Cavanaugh made a motion, seconded by Judge Moss, approving the Budget Report for FY 2022 as presented by Brant Barlow. The vote of approval was unanimous.

Homer Bryson presented the Membership report.

IV. OTHER BUSINESS

Judge Moss made a motion, seconded by Judge Holt, approving the following retirements. The vote of approval was unanimous.

Mary Jo Buxton – Disability Retirement, Johnson County; Effective 7/1/2021; 8-6-0 Service; \$468.32 monthly

Robert W. Carter, Secretary Treasurer; Effective 4/1/2021; 4-9-0 Service; \$2,091.50 monthly

Vivian Cummings, Wilkinson County; Effective 6/1/2021; 14-6-0 Service; \$562.72 monthly

Hilda James, Atkinson County; Effective 1/1/2020; 13-6-0 Service; \$1,358.59 monthly

Judge Brenden Murphy introduced for discussion the issue of Abandoned Motor Vehicles cases (AMV's) and the add-on fee for the Retirement Fund. Cobb County has a large number of cases which brought this to his attention. While not previously charged under the former statute, AMV's may now be civil actions that would require courts to assess the add-on fee. After discussion, the consensus of the Board was to seek a legal opinion.

Judge Holt made a motion, seconded by Judge Cavanaugh, directing legal counsel to draft a legal opinion for distribution as to whether courts are required to assess the Retirement Fund add-on fee in Abandoned Motor Vehicle cases. The vote of approval was unanimous.

Bob Schivera introduced discussion of the contract with new fund consultant, Jim Fallon. The contract is yet to be finalized due to lack of clarification of fees. Jim Fallon stated there is a flat 10 basis point fee and the Magistrate Fund will benefit by being under the Peace Officers' Fund umbrella. There was further discussion regarding the details of the contract.

Homer Bryson said the agreement was approved in the last meeting and is ready for the Chairman's signature. Chairman Bobbitt pointed out there is a termination clause in the contract if anything is amiss.

Judge Cavanaugh made a motion, seconded by Judge Holt, to authorize the Chairman and associated parties to sign the agreement with James Fallon of Amret as the new Fund Consultant. The vote of approval was unanimous.

Jim Fallon talked about the Investment Policy Statement and the changes that need to be implemented, as well as the necessity for more definition. His team will provide an asset liability study and then do the necessary rebalancing.

As part of revamping and consolidating managers, Neal Kaplan discussed closing Principal Street fund and moving assets to the large cap value index fund. Anderson Kayne Rudnick, Lazard and Sage are all in good shape. He proposed moving the assets currently with Invesco. There was further discussion regarding utilizing all the resources available through Callan.

Judge Moss made a motion, seconded by Judge Anderson, to allow Callan to work with Buck on the specifics of the fund going forward. The vote of approval was unanimous.

Judge Holt made a motion, seconded by Judge Murphy, to move the funds currently with Principal Street to Vanguard Index Funds, and to move the funds currently with Invesco and Pimco to Sage. The vote of approval was unanimous.

Jim Fallon said he would continue to evaluate the money managers and work with

Bob Schivera on the Investment Police Statement. An asset liability study and an asset analysis will be forthcoming.

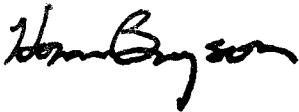
V. FUTURE MEETING SCHEDULE

The consensus of the board was approval of the following meetings: Monday, August 16, 2021, and Monday, November 15, 2021.

VI. ADJOURNMENT

There being no further business to come before the Board, Judge Moss made a motion, seconded by Judge Holt, to adjourn the meeting. The vote of approval was unanimous. The meeting was adjourned at 11:40 AM.

Respectfully Submitted,



P. Homer Bryson
Secretary/Treasurer

The above and foregoing minutes were approved at the meeting held on the 16th day of August, 2021.