

MINUTES

BOARD OF COMMISSIONERS OF THE MAGISTRATES RETIREMENT FUND OF GEORGIA

Monday, November 18, 2024

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, November 18, 2024 at 10:00 a.m.

I. CALL TO ORDER

The meeting was called to order at 10 a.m. by Chair Moss. The following is a list of persons present at the meeting:

A. Board Members and Staff

Judge Mary Kathryn Moss, Board Chair
Judge Brendan Murphy, Board Vice Chair
Judge Rita Cavanaugh, Board Member
Judge Connie Holt, Board Member
Harlan Proveaux, Board Member (via video)
Cody Whitlock, Board Member (via video)
Homer Bryson, Secretary-Treasurer
Brandt Barlow, CFO
Jebby Votaw, Board Secretary
Bryan Schivera, Attorney to the Board (via video)

B. Financial Advisors

Jim Fallon, AmRET
Paul Troup, AmRET
Lauren Fernandez, AmRET

C. Actuary

Joe Griffin, Foster and Foster
Danny Ibele, Foster and Foster

Absent: Berryl Anderson, Board Member

II. APPROVAL OF MINUTES

Vice Chair Murphy made a motion, seconded by Judge Holt, to approve the Minutes of the Board Meeting held August 26, 2024. The vote of approval was unanimous.

III. REPORTS OF OFFICERS AND COMMITTEES

Joe Griffin, Foster and Foster, presented the June 30, 2024 Actuarial Valuation. A 1.5% cost-of-living adjustment was granted January 1, 2024 and also July 1, 2024. Mr. Griffin stated that a formal experience study has been requested by the auditors and will be done in timing with the 2025 Actuarial Valuation. *A motion was made by Judge Holt, seconded by Judge Cavanaugh, to accept the Foster and Foster Actuarial Valuation. The vote of approval was unanimous.*

Mr. Griffin stated that a COLA is supported financially and the Board can grant a one-time cost-of-living adjustment to all members of the Fund effective January 1, 2025. Mr. Griffin stated that giving these 1.5% COLAs twice a year keeps members up with inflation.

A motion was made by Judge Holt, seconded by Judge Cavanaugh, to approve the 1.5% COLA effective January 1, 2025. The vote of approval was unanimous.

The Board previously requested that Foster and Foster look at Proposed Benefit Improvements for the Magistrates Retirement Fund that included: increasing dues from 3.42% to 4% of member's salary, changing the retirement multiplier from 4% to 5%, increasing the service cap from 20 years to 24 years and 28 years, and early retirement for vested members at age 55 who have at least 8 years of service. Mr. Griffin and Mr. Ibele went over each aspect of this proposal, with the Board asking pertinent questions as each phase was presented. They stated:

Increasing dues from 3.42% to 4% of an active member's salary adds \$35,000 annually to the Fund.

Going from a 4% multiplier to a 5% multiplier at retirement is a 20% increase across the board, but this pension increase would only be allowed for future retirees.

In raising the maximum service cap from 20 years to 24 and 28 years, Mr. Griffin pointed out that there would be a smaller amount of judges taking advantage of the additional years of service due to the age of the members. Currently, judges typically retire between 64 and 71 years of age.

Minimum retirement age for the Fund is currently 60 years of age. Retirement could be accelerated to 55 years of age, but there is a cost to the member. Options for this were reviewed. Mr. Griffin told the Board that early retirement would be optional. A member can retire at 55 and choose to wait until 60 to draw a pension.

Vice Chair Murphy stated that doing a combination of these ideas would help the entire membership. Smaller counties will benefit from having additional years or early retirement.

Chair Moss suggested that these proposals be brought up for discussion at the Chief Magistrate Judges' meeting in March 2025. Vice Chair Murphy suggested having a Zoom meeting with the Chiefs in the near future as a legislative bill to make these changes would need to be in place prior to the March meeting. Chair Moss will also discuss it at the Chief's March meeting.

After discussion of the various options in the proposal, the Board requested Mr. Griffin send a final proposal showing 1. the current value, 2. A 5% multiplier at 28 years, and 3. A 5% multiplier with 28 years and early retirement.

Mr. Bryson will reach out to the Legislative Retirement Chair to request a legislator to carry the bill.

Brandt Barlow presented the Quarterly Income Statement.

Jim Fallon, AmRET, proposed an offsite retreat for the February 2025 board meeting to allow AmRET time to work with the Board Attorney on a legal sufficiency review to ensure all comments regarding the IPS are captured. Chair Moss stated an offsite meeting would be a good opportunity to do a deep dive on the IPS. Mr. Bryson suggested the offsite meeting begin Monday, February 24th, at 1pm with a second meeting on Tuesday, February 25th.

Paul Troup presented the Financial Report and stated the investment environment looks good. Large Cap Growth did not do well in the last quarter due to the Domestic Equity Market. We have no exposure to the International Emerging Market as 25% of the structure is China. He told the Board that funding is very close to the target. Vice Chair Murphy asked about the cash call with Mesriow and Mr. Fallon stated it would show in the report when it happens. Mr. Troup told the Board that bonds did not do well last quarter, so Natixis rebalanced and moved money to Sage. Kennedy Capital Management is a new SMID Value Manager, so they will not show up on the report until the December performance report.

Mr. Fallon told the Board that the Fund balance is currently over \$50 million.

Mr. Troup told the Board they will cover one manager each quarter, with Crawford Investments being presented at this meeting. Crawford is at the top 14% of their peers for the past quarter. They have low volatility and less risk. They have the top ten equity holdings, including Microsoft. Mr. Fallon suggested the Board visit Crawford in person.

Mr. Troup stated he will have Private Real Estate and Private Credit managers visit and give a report to the Board. The Board will need to make a choice from one of these.

Homer Bryson presented the Membership report.

IV. LEGAL MATTERS

Bryan Schivera, Board Attorney, was requested by Chair Moss to go through the formal responses to questions previously raised. My Schivera stated he spoke with Mr. Fallon to understand the two amendments and contracts. He stated the Investment Advisor Agreement with AmRET is a Callan form.

The Customer Advisement Agreement with Natixis has three takeaways:

1. He is satisfied from a service standpoint level with what the Fund is getting.
2. The proposed fixed fee is a reduction in cost.
3. The amendments and agreement remain permeable with a 30 day notice.

On the amendments to contract with Callan, now AmRET:

Amendment 1 is a UMA program and a Natixis agreement.

Amendment 2 is with AmRET.

Mr. Schivera states Natixis has not signed either amendment to which Mr. Fallon stated Natixis does not need to be a signatory. Mr. Schivera suggested adding a one sentence phrase referencing Callan, as Callan is referenced and no long exists as a part of the Fund. Mr. Schivera will send the wording to Mr. Fallon.

Judge Cavanaugh made a motion, seconded by Judge Holt, to approve the signing of the amendments by Chair Moss and Mr. Bryson once the language provided by the attorney has been provided to and updated by Mr. Fallon on the Investment Consultant Agreement. The vote of approval was unanimous.

Regarding the memorandum and legal position for the previous question regarding squatters and filing fees, Mr. Schivera told the Board the fees are the responsibility of the Plaintiff and Petitioner. The law enforcement officer returns the affidavit to the courts, which begins the proceedings with a \$3 tack on fee. This is the first filing and the add on would occur with the Plaintiff being responsible for the fee. The Attorney will send a letter to the Board. Vice Chair Murphy stated once received, he will forward it to be put on the Magistrate's Listserv. Vice Chair Murphy also asked that the letter be sent to Clerks, which Judge Holt said she would handle.

A motion was made by Vice Chair Murphy, seconded by Judge Cavanaugh, adopting a legal position that the tack on is required to the Fund. The vote of approval was unanimous.

Regarding the previous question of what happens to a participating member who chooses to stop participating in the MRF as they are suspended from the Fund, but do they qualify for benefits? The Attorney stated it is the staff's belief that the member would be eligible if vested. He further stated that the member would no longer accrue service, but they would not lose credit and therefore could receive benefits from the Fund. Chair Moss raised the question of suspended members on where they stop accruing COLAs or salary caps when it is a voluntary suspension vs. a member who continues to pay dues until maxing out on service. She stated that

the benefits calculated should be based on the date of the suspension and that the population at the time of the suspension should be frozen. She also asked if the members who are at their maximum years of service continue paying dues and stated that there may need to be a change in statutes to provide a clear definition.

Chair Moss requested a copy of the Probate policy showing that those members stop paying when they reach the maximum service allowed. Mr. Bryson told her he is not certain it is spelled out to that degree in the Probate policy. Vice Chair Murphy states that retirees receive COLAs and that 20 year maximum members are essentially "working retirees", but would receive the increases.

Chair Moss requested the attorney make policy for 1. The suspended member who fails to pay, and 2. The maxed out active participant. Chair Moss, Vice Chair Murphy, and the attorney will get together to discuss this in detail.

Regarding the member whose survivor passes prior to the member asking if the member can choose another survivor, there can be no new survivor of a retired member.

Chair Moss requested that the attorney finalize the recommendations and send out to the Board. The attorney will do so.

V. OTHER BUSINESS

Brandt Barlow told the Board that no Magistrate Judges or Courts are behind in payment.

The GAPPT Conference will be held at Chateau Elan in March 2025.

VI. FUTURE MEETING SCHEDULE

The 2025 Board Meeting dates were presented. The meeting dates for 2025 will be: February 24th - 25th, May 19th, August 25th, and November 17th.

The consensus of the board was approval of the following meeting:
Monday, February 24, 2025, offsite meeting venue TBD.

VII. ADJOURNMENT

There being no further business to come before the Board, Judge Cavanaugh made a motion, seconded by Judge Holt, to adjourn the meeting. The vote of approval was unanimous.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. Homer Bryson", written over a horizontal line.

P. Homer Bryson
Secretary/Treasurer

The above and foregoing minutes were approved at the meeting held on the
24th day of February, 2025.