CLAYTON COUNTY PENSION BOARD

Regular Meeting
8:30 a.m.

February 13, 2020

MINUTES

PRESENT:	Terry Hicks, Chairman; Pamela Ambles, Vice Chair; Ramona Bivins, Secretary; Katherine Dodson, Member; James Crissey, Member.
ALSO PRESENT: (BEFORE SUSPENSION)	Mr. Rick Arenburg and Ms. Cass Hollis, Bryan Cave Law Firm; Kevin Spanier, Lisa Bjornson & Ric Ford, Buck Global, LLC; Jon Breth, AndCo Consulting; Carol Cameron, Allison Halron, Robin Malone & Ed Durham, Clayton County Water Authority; Kerri Hathaway, Shawannda Wilson, Patricia White, and Vanessa Sarden, Finance Department.
ALSO PRESENT: (AFTER SUSPENSION)	Mr. Rick Arenburg and Ms. Cass Hollis, Bryan Cave Law Firm; Ms. Kimberly Ponder, Will Simmons and Judge Geronda Carter, Clayton County Superior Court; Kerri Hathaway, Patricia White and Vanessa Sarden, Finance Department

1. Chairman Terry Hicks called the regularly scheduled Pension Board Meeting to order.

2. A motion to adopt the agenda was made by Mr. James Crissey and seconded by Ms. Pamela Ambles. The vote was unanimous.

3. A motion was made by Ms. Pamela Ambles to adopt the November 14, 2019, regular Pension Board Meeting minutes and seconded by Mr. James Crissey. The minutes were unanimously approved and accepted.

4. Chairman Hicks stated the Pension Plan requires the Chief Financial Officer to be the Secretary so Mrs. Ramona Bivins is currently the incumbent Secretary and shall remain in her positon as Secretary of the Clayton County Pension Board. He opened the floor for the election of Officers for the year 2020. A motion was made by Ms. Katherine Dodson for Terry Hicks to ~~remain the Chairman of the Clayton County Pension Board and seconded by Ms. Pamela~~ Ambles. The vote was unanimous.

Ms. Katherine Dodson motioned for Ms. Pamela Ambles to remain the Vice Chair for the Clayton County Pension Board. The motion was seconded by Chairman Terry Hicks. The vote was unanimous.

Chairman Hicks introduced Mr. Robin Malone as the newly appointed Chairman for the Clayton County Water Authority.

5. Ric Ford of Buck, briefed the Pension Board on the data results taken from the Experience Study completed based on the past five years of data. The study reveals three large changes in the Demographic Assumptions: Retirement, Life Span (Mortality) and Economics (Inflation, Salary Scale and Discount Rate). He stated the Plan currently has $670 million in liabilities. The Demographic Assumptions would add $39 million and by changing the discount rate, it would add $21 million up to $43 million dollars. The net increase in the Pension Contribution could be approximately $7 million or about 1% of total liability.

Kevin Spanier explained as Actuaries for the Clayton County Pension Board, their goal is to help set a contribution rate that would pay for the Plan over time. His forecast is based on how much the Plan cost from the benefits personnel earn and their life longevity. The Assumption Study reviewed how actual experience of the Plan compared to the current actuarial assumptions over the last 5 years. There are currently 4,100 participants in the Plan and every individual is affected by the Assumption Study. The Water Authority, the General Employees and Public Safety Employees were the three personnel groups studied. Buck researched to see if any form of isolation of these groups would provide a better estimate of future experience of the Plan. Data from previous Studies were taken also into consideration while completing this Assumption Study.

Lisa Bjornson of Buck opened by stating retirement age in the United States has increased. The average retirement age for men has increased from age 62 to 64, which 82% are expected to work past the age of 65 and some in this age group never expect to retire. She said with Social Security, people born in 1960 or later are eligible for full benefits at age 67. The retirement rate determines when the retirement benefits will begin and when calculating the liability, we calculate the present value of future benefits. She said the retirement rates are based on service and age. According to the Clayton County experience, it indicates Clayton County employees are retiring early, which is an indication the benefits are of value for employees. Once an employee obtains 25 years of service, any additional service has little impact on retirement experience. Kevin Spanier concluded, as employees retire early, the benefit value is higher because the plan provides a subsidized early retirement benefit.

~~Lisa explained to the Pension Board how the study grouped employees with less than 15 years,~~ 15-24 years and 25 plus years of service were for assessing retirement probability. The liability losses from retirement in 2019 were $5.7 million and in 2018 the loss was $1.4 million. She recommended the County continue setting different retirement rates based on being a Public Safety or general Employee and recommended using a different rate based on the length of service at retirement. Additionally, there is no retirement experience for employees hired after January 1, 2016. Therefore, she recommended using the same retirement assumptions for these employees except to adjust the rates to reflect the different age and service requirements for retirement.

Lisa continued by explaining the Clayton County experience for turnover in the Assumption Study, which is affected by the overall economy, labor market and career growth, opportunities, work life balance and rewards. The study shows Safety and General Employee's turnover rates are similar; whereas the Water Authority is much lower. There is no turnover experience for vested employees hired after January 1, 2016; they assumed the same rates as those hired before January 1, 2016; with the exception of using selected rates until becoming vested at ten (10) years of service, instead of seven (7). Service is more indicative of turnovers than age, prior to becoming vested. Buck made a recommendation to use a separate rate for the Water Authority and the County employees, instead of using separate rates by Safety and Non-Safety employees. The actual rates are higher than expected for all non-vested years of service. Therefore, Lisa proposed more appropriate service bands for rates and to use the blended approach of actual and expected to determine the revised turnover rates.

Mr. Spanier explained the Society of Actuaries (SOA) initiated a mortality study of public pension plans with the primary focus to obtain a comprehensive view of the recent mortality experience of the public retirement plans in the United States. In January 2019, the Society of Actuaries (SOA) published the Pub-2010 Public Retirement Plans Mortality Tables Report with the results of the study. The analysis included several versions of the table based on job types (Safety, Teachers and General Employees) and income levels (above and below median). Buck made a recommendation for the County to select from the SOA Pub-2010 tables, unless there is a credible experience to support another assumption. He continued by stating each generation is living longer than the preceding generation. He also proposed the County to use the Below Median versions of the tables as they provide the best fit of the tables observed.

Due to limited death experience, Buck has proposed adjusting the standard table for the general retirees on a combined male and female basis. The credibility factor of the PubG-2010 Below Median table with Scale MP-2019 is 21.5%. Buck recommends the PubG-2010 Below Median table with a load of 2.85% for the general retirees. Mr. Spanier stated Buck's recommendation is the Pub2010 General Employees Retiree, Below Median table with a load of 2.85% for the Non-Safety Retirees. He further recommended SOA Pub-2010 tables for other groups as follows: Safety Disabled (Pub-2010 Public Safety Disabled table); Safety Retirees (Pub-2010 Public Safety Retiree, Below Median table), Safety Non-Annuitants (Pub-2010 Public Safety Employee, Below Median table), Non-Safety Disabled (Pub-2010 Non-Safety Disabled table), Non-Safety Non-Annuitants (Pub-2010 General Employee, Below Median table), Survivor Beneficiaries (Pub-2010 Contingent Survivor, Below Median table). Mr. Spanier also recommends all groups be updated to the most current mortality improvement scale released by the Society of Actuaries. Mr. Spanier stated the study has revealed Clayton County employee's population life span is not as long as the Nation on a whole, so he recommends the 2.85%

adjustment on the general retirees, as they are the only group that was large enough to provide credible experience.

Ms. Ambles expressed her concerns for the Clayton County population not living as long as the Nation as a whole, as it relates to the viewpoint of the wellness component. She stated "this is a concern to her because she's in charge of Benefits registration, which is going through a major overhaul of upping the wellness components for the County."

Mr. Spanier stated, "he is not trying to increase the cost, the studies are conducted to find the cost to better manage the Pension Plan." The fact of employees not having a long life span could be good for the Pension Plan from a cost perspective. Ms. Ambles continued by stating if the employees are healthier, the employees will be able to work longer. Mr. Ford agreed and stated it is a win-win for the County.

Mr. Spanier continued by reviewing the other demographic assumptions that we included in the experience study. The first assumption was the form of payment that employees will elect upon retirement. He stated the current assumption assumed that all retirees elect the normal form of payment, which is a 5-year certain and life. He explained that while the normal form of payment is the most frequent election, retirees are actually taking advantage of the other forms available as well. He recommended updating the assumptions to be more in line with the observed experience.

Mr. Spanier then reviewed the assumptions for beneficiaries at retirement. He stated the current married assumption does not differentiate between male and female retirees. However, the experience shows there is a differing experience between male and female retirees. The assumption study proposed assuming that 85% of males are married at retirement and 65% of females are married at retirement. The study also reveals the age difference between retirees and contingent annuitant indicates husbands are three years older than their beneficiaries (on average) while, females are two years older than their beneficiaries (on average). The experience also shows many employees elect a contingent annuitant other than a spouse, which is more common with female retirees. The average age difference between the retiree and the contingent annuitant depends on the sex of the retiree. Buck proposed using different assumptions based on whether the retiree is a male or female. They proposed (in years), based on average age difference from beneficiary, would be three years for a male and zero years for a female.

Mr. Spanier explained when people retiree under the Plan with accrued sick leave, they are able to convert their leave into service credits and receive a higher retirement benefit. He stated ~~the .1% load on active liabilities reflect potential use of accumulated sick leave upon~~ retirement. The Experience Study showed many employees elected to use accumulated sick leave. The data shows the average increase in service was .28 and the corresponding benefit increase of 1.72% in 2019. The average was 2.03% for the last 4 years. Combining sick leave with retirement is causing the County a retirement loss. Employees are retiring at different times and receiving different sick leave credits than expected. Mr. Ford said the sick leave assumption is more than one-half percent of the County's total liability. Buck is proposing a change to a 2% load going forward.

Mr. Spanier stated the Economic Assumptions for the current salary increase will be 3% per annum through June 30, 2023 and 4% per annum thereafter for all groups. The experience period may not be reflective of expected future salary growth. The study shows it was much higher over the last 5 years and as a result of the study, salaries were increased by a larger percentage than in prior years. There was a $10.4 million dollars liability loss in 2019 due to salaries and $5.1 million in 2018 from Salary Experience. The Comp Study revealed salaries have increased over the last 5 years. The average County employees received a 6.23% salary increase per year (promotions, merit and cost of living) and the Water Authority employees received 5.97% increase. Unlike all previously discussed assumptions, according to Ric Ford, the Economic Assumptions are like setting a budget for salary increases. Therefore, Buck recommends a 6.75% per annum through June 30, 2022, 5.75% annum through June 30, 2023 and 4.75% annum thereafter, salary increase assumption for the County and a 4% increase for the Water Authority. Mr. Spanier states this recommendation is based on the future salary expectations for the County and Water Authority.

Mr. Spanier noted that administrative expenses are a load to the County's normal cost. Based on actual administrative expenses over the last 5 years, the County paid a higher amount of administrative costs than the current assumption expense rate at 0.325% of annual payroll. Mr. Spanier recommends that the County update the current assumption to 0.350% of payroll.

Mr. Spanier said the study conducted on County's current expected return on assets assumption, which is currently at an 8% discount rate. Many public retirement plans have been reducing their discount rates based on lower long-term expectations that have resulted in 8% being an outlier. The assumed inflation rate has dropped from 3.84% to 2.80% on average since 2002. Mr. Spanier recommends a reduction in the discount rate because inflation, which is a component of the overall return, is driving down expected future returns.

Jon Breth of AndCo, agreed inflation has been decreasing, but overall the County still earns 8% on their returns. Mr. Ford confirmed the equation of nominal rate of return equals real rate of return and inflation rate added together.

A proposal from Jon Breth of AndCo, was made to include a real estate portion to the asset allocation section of the County's Plan.

~~Mr. Spanier recommended setting a reasonable discount rate in the 40th to 60th percentile,~~ which is 6.32% to 7.64% of expected geometric nominal returns over a 30-year period assuming the asset allocation is updated to include the Real Estate portion as proposed by Mr. Breth. The median from JPMorgan 2020 long-term capital market assumption is estimated to be 5.74% over the next 10-15 years (also assuming the updated asset allocation). In 30 years, the median would be 7.05% at the 50th percentile and the 60th percentile 7.64%. Based on Buck's and JPMorgan's 2020 capital market assumptions and the current asset allocation, the current 8.0% expected return on asset assumption does not appear to be supportable. Mr. Spanier made a recommendation to lower the current inflation rate from 3.0% to 2.75% and to lower the real rate of return assumption from 5.0% to 4.75%.

Buck's first scenario to consider is to go from 8% to 7.50% by lowering the inflation rate to 2.75%; assuming the real rate of return by going from 5.0% to 4.75%. Their second scenario to consider is to assume 7.75%, assume lowering the inflation rate from 3.0% to 2.75%; assume leaving the real rate of returns assumption at 5.0% (note: the second scenario could be considered slightly more aggressive and may have losses).

Mr. Spanier gave a brief summary of the actuarial impact of Buck's recommended changes. He stated as of July 1, 2019, the baseline liability is $670,655,000. He stated if the County were to move forward with all of the proposed assumptions of the experience study, except the changes in discount rate, it will increase the Plan's liability by $39,219,000; which is a 5.85% increase in liability and would increase the contribution to 18.38% of payroll. Scenario #1 shows an additional increase of $42,763,000 (if the discount rate was also updated to 7.50%); increasing the contribution to 20.88% of payroll. This increase in liability would be paid over a 30-year period. After conducting the study, Mr. Spanier recommends adopting the aforementioned assumption changes that would result in a liability increase of $39,219,000 and increase the total employer contribution to 18.38% based on the July 1, 2019 valuation. Mr. Spanier also recommends putting more money into the Plan so they will not have to do so later. He further recommends the expected return to be reduced because 8% does not seem feasible.

Jon Breth of AndCo, interjected as requested by Mr. Spanier, and agreed 8% is an aggressive assumption for the expected return and recommend lowering the inflation rate to 2.75%, which will help progress to the 7.75% assumed rate of return for the Plan. He recommends the Plan be re-evaluated at the next experience study. The 7.75% is in line with the national average of Inflation and the County is up 50 basis point above the national average. Mr. Breth recommends a reduction of 25 basis points, which is based upon the inflation reduction. He recommended the Board to be proactive and continue to monitor.

Mr. Ford concluded by recommending the Pension Board consider/adopt the proposed changes to actuarial assumptions effective with the July 1, 2020 valuation: adopt the demographic assumptions and assumed rate of return.

Mrs. Bivins recommended Buck and Jon Breth of AndCo to do a presentation at the Clayton County Board of Commissioners Board Meeting in March (demographic and discount rate) before approval of the proposed funding change. She said a decision will need to be made to see if the County will absorb the entire cost of the pension contributions, or how much would be passed on to the employees. Currently, the County's contribution is at 13.9% and could possibly increase to approximately 19.61%. She also recommended that Buck give a step down approach starting with 7.75%, which would require an additional 5.71% of payroll contribution above the 13.9%.

Mr. Rick Arenburg asked the Pension Board members if they would like for Buck to look at changing the discount rate for purposes of determining forms of benefit payments. Chairman Hicks suggested a presentation be created to present to the Board of Commissioners one time instead of going before the Board several times.

Mr. Spanier stated, "currently the County is using the private sector assumption, changing the mortality rate would be acceptable." Mr. Arenburg clarified that the current plan document uses the same assumptions for calculating benefit amounts for different form of payment as those used for funding the Plan.

Chairman Terry Hicks confirmed that Buck use the 7.75% assumed rate of return in the presentation to the Board of Commissioners.

The Board recommended Buck and AndCo Consulting attend the upcoming Water Authority meeting on March 4, 2020 and the Board of Commissioners Board Meeting on March 3, 2020 to do a presentation of the recommended changes to the Pension Plan.

A copy of the Clayton County, Georgia Public Employee Retirement System "Assumption Study" February 13, 2020 is on file in the Chief Finance Officer's office.

6. Jon Breth with AndCo Consulting opened by stating the County had a great 4th Quarter for 2019 and remains in-line with long-term targets for the asset allocations. He made a recommendation for a rebalance to move $7.5 million from the *Vanguard Total Stock Market Index Fund* to *Met West Total Return Bond Fund* and change the order of distribution. Currently, *Met West Total Return Bond Fund* is the first fund Transamerica makes withdrawals from. He made a recommendation for the County to make *Vanguard Total Stock Market Index Fund* their main funding source. He stated it will be in the best interest of the County to sell fixed income instead of selling equity.

   Ms. Dodson made a motion to rebalance $7.5 million from the *Vanguard Total Stock Market Index Fund* and invest the funds in the *Met West Total Return Bond Fund.* Moreover, to direct Transamerica to utilize the *Vanguard Total Stock Market Index Fund* as the funding source for any benefit payments. The motion was seconded by Mr. James Crissey. The vote was unanimous.

   Jon Breth explained the total fund returns were up 6.7% for the 4th Quarter, which is ahead of the benchmark and it places the County in the 4th percentile. The assets are holding at 6.8% Fiscal Year to date and Fixed Income was up by .36%

7. Mr. Breth suggested Private Real Estate as an effective vehicle available to the Plan for return benefits. It contains diversification benefits and core high quality properties such as: office buildings, industrial complexes, retail and multi-family (apartments). Private Real Estate has an expected return of 6.5% with a standard deviation of approximately 12%, which out preforms the United States large capital equity. Ms. Ambles asked Mr. Breth to explain the risk difference in Core and Core Plus Funds. He stated, Core is driven by current income and has a lower risk, where the leverage percentage will fall between 20% up to 25%. Whereas, the core plus requires a little more borrowing. Jon confirmed 5% is the allowable percentage within the County's Plan to invest in real estate at cost. Jon added, Core Funds would be the best investment for the County.

   Mr. Breth presented a *Managers Evaluation* detailing potential investment options for the County: American Realty Advisors, Clarion Partners, JP Morgan-GRA, Morgan Stanley Real Estate and Stockbridge Core & Value Advisor. JP Morgan and Morgan Stanley Prime have the largest funds of the two. Morgan Stanley Prime is more conservative and produce consistent returns. American Realty is focused more on the secondary markets. Stockbridge Core mandates attributes related to their market.

   Jon Breth recommended inviting two to three real estate managers to present their strategies to the Pension Board and recommend hiring one manager based on the 5% limit on real estate investments. The top three are Morgan & Stanley, Clarion and Stockbridge based on their consistency in the market. AndCo will work with staff to arrange interviews of all three investment managers with the Pension Board.

   A copy of the Clayton County Georgia ERS *"Introduction to Private Real Estate", "Investment Performance Review" and "Core Real Estate Manager Ana*lysis" are filed in the Chief of Finance Officer's office.

   Chairman Hicks requested Mrs. Hathaway to put out feelers regarding a date for a special called meeting to hear presentations on real estate. He reminded her the week of March 23rd is the GAPPT Conference.

8. Chairman Hicks suspended the Pension Board meeting to be able to commence for the Deferred Comp meeting on a timely basis with the intent to reconvene to discuss additional items on the agenda after the Deferred Comp meeting. A motion was made to suspend the Pension Board meeting by Ramona Bivins and seconded by Katherine Dodson. The vote was unanimous.

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9. Following the Deferred Comp meeting, Chairman Hicks called the Pension Board meeting back to order from suspension. A motion was made by Katherine Dodson and was seconded by Ms. Pam Ambles, to go into Executive Session to discuss a matter of compensation involving one or more employees. The vote was unanimous. A motion was made by Mrs.

Bivins to adjourn the Executive Session and was seconded by Ms. Katherine Dodson. The vote was unanimous. A motion was made by Ramona Bivins to go back into regular session and was seconded by Pam Ambles. The vote was unanimous.

10. A motion was made by Mrs. Ramona Bivins for approval of the commencement of benefits for those participants identified in the body of these Minutes. The motion was seconded by Ms. Dodson. The vote was unanimous.

February 13, 2020

NORMAL RETIREMENT	YEARS OF SERVICE	AGE	FORM	AMOUNT	DEPARTMENT
Daniel S. Avery	23.42	60	100JS	2,622.94	Police
Phillip D. Brooks	31.00	59	5CC	4,416.77	Water Authority
Debbie E. Byrd	23.75	63	5CC	3,064.03	Water Authority
Cherry L. Childs	18.83	65	5CC	1,684.14	911 Comm
Robert R. Cloud	32.25	55	100JS	5,475.73	Water Authority
Karen D. Copeland	10.83	65	10CC	651.19	Tax Commissioner
Jayne M. Fuller Deaver	25.67	55	10CC	2,815.89	Juvenile Court
Helen A. Dolyak	22.42	62	5CC	2,406.45	District Attorney
Phillip B. Friddell	30.50	54	100JS	4,786.99	EMS
Barbara Jo Grabowski	11.00	65	5CC	513.68	Superior Court
Tevis P. Harris	32.25	54	10CC	4,125.80	Police
Larry D. Luttrell	41.58	62	5CC	3,569.96	Water Authority
Larry L. McClain	31.92	56	5CC	4,532.22	Water Authority
Wilfred E. Norwood	33.25	58	75JS	5,505.88	CCPD
Chuck L. Smith	33.25	56	75JS	4,963.12	IT
Denise B. Smith	21.33	60	5CC	2,149.81	Water Authority
Paul H. Smith	8.83	70	100JS	456.51	Parks & Recreation
Robert H. Smith	15.92	62	50JS	1,356.72	Building & Maint.
Terry E. Waldrop	12.58	60	100JS	918.09	Fire
Thomas E. Yoders	33.00	55	50JS	5,897.80	Fire

EARLY RETIREMENT	YEARS OF SERVICE	AGE	FORM	AMOUNT	DEPARTMENT
Angie M. Bennett	32.33	53	75JS	6,635.54	Water Authority
David W. Blackstock	32.08	53	50JS	5,989.96	Water Authority
Lisa K. Bowens	15.67	59	5CC	1,540.62	Library
Michael D. Crabtree	33.58	54	10CC	5,127.81	Water Authority
Charless A. Hawkins	15.42	59	5CC	1,453.31	Tax Assessors
Carline L. Lamour	19.17	57	10CC	1,561.90	Sheriff
Martin D. Lane	32.42	51	10CC	5,084.46	T&D
Mark R. Liles	30.92	53	100JS	4,512.32	Water Authority
Phillip A. Miles	31.67	50	10CC	4,390.32	Fire
Michael T. Murphy	32.17	54	5CC	5,518.50	District Attorney
Brian T. Oneal	31.67	50	10CC	4,394.82	Fire
Louis A. Padovani	26.00	51	10CC	3,604.53	Fire
Bryant S. Petitt	21.08	59	100JS	2,094.23	Corrections

DISABILITY RETIREMENT	YEARS OF SERVICE	AGE	FORM	AMOUNT	DEPARTMENT
Becky S. Hunter	23.92	50	5CC	3,667.97	Police

QDRO			
Dolores K. White (Niedbalski)	5CC	975.75	Spouse: Mark Niedbalski

BENEFICIARY BENEFIT	AMOUNT
Grace C. Beaugrand	568.40
Toshiko W. Boyd	2,405.72
Linda M. Corley	2,928.42
Lillie C. Hagan	1,242.56
Sue T. Robertson	1,499.69
Linda C. Simon	3,384.72

VESTED TERMINATION	YEARS OF SERVICE	AGE	FORM	AMOUNT	DEPARTMENT
Jimmy W. Black	16.08	49	5CC	2,130.50	Sheriff
William A. Bonner	15.25	53	5CC	1,910.04	Fire
William L. Brock	11.58	38	5CC	1,257.53	Sheriff
Stacey R. Brown	7.92	50	5CC	1,029.46	Police
Kim S. Cooper	7.08	53	5CC	695.54	Sheriff
Robert Cunningham	7.83	44	5CC	893.55	Sheriff
Darrell M. Harris	21.50	54	5CC	3,093.83	Sheriff
Michael S. Hensley	25.00	48	5CC	3,990.89	Parks & Recreation
Lisa A. Johnson	16.17	52	5CC	1,936.54	Sheriff
Seth D. McCart	10.08	38	5CC	1,187.16	Police
Elaine M. Minor	8.25	44	5CC	1,011.59	Finance
Lori D. Stevens	21.50	40	5CC	1,590.53	911 Comm.
Robin I. Stinnett	8.67	53	5CC	638.38	Superior Court
Robert J. Theiss	18.00	42	5CC	2,070.39	Police

REFUND-IN-LIEU	YEARS OF SERVICE	AGE	FORM	AMOUNT	DEPARTMENT
Lawrence E. Corbett II	8.17	43	R-I-L	30,334.04	Sheriff
Susan M. Hardwick	8.75	40	R-I-L	21,279.12	911 Comm.
Kalmen B. Hill	12.00	37	R-I-L	38,944.84	Sheriff
Tarik L. Maxwell	9.00	38	R-I-L	26,940.94	Parks & Recreation
Justin D. Mitchell	12.67	34	R-I-L	43,787.57	Sheriff
Dylan Reyes	7.52	27	R-I-L	22,816.72	EMT
Jasmine D. Romero	7.42	36	R-I-L	24,362.40	Sheriff
Kenyatta T. Sipp	14.67	47	R-I-L	36,731.94	District Attorney
Samatha K. Swain	9.42	48	R-I-L	18,786.52	Police
Andra L. Sykes	11.08	46	R-I-L	39,010.22	Sheriff

11. Chairman Hicks advised Ms. Ponder, a Plan participant that the Pension Board received her letter and they were giving her an opportunity to present anything new or pertaining to her case before the Board.

Ms. Ponder of the Clayton County Superior Court opened by stating she has been employed with the Superior Court for over 10 years and she had inquired with previous management if there were any type of retirement plan the Law Clerks were able to participate in. The previous Court Administrator Matthew Sorensen, informed her he was willing to research and find out how he could get the Superior Court Law Clerks included in the Plan. She stated after following up with all of the Superior Court Law Clerks, there was not a unanimous consensus with all of the Superior Court Law Clerks to participate in the Plan. She stated, Mr. Sorensen did not pursue it at that time and she never received any feedback from him. Ms. Ponder stated, there was no indication, one way or the other, so she just assumed none of the clerks was added to the Plan. Ms. Ponder said, in 2018, a State Court Law Clerk was going to change positions to a Superior Court Law Clerk; the employee became concerned of losing her retirement/pension access. At this point, Ms. Ponder said she was confused because she was always under the assumption the Law Clerks did not receive any type of retirement. At this time, this is when she discovered the State Court Law Clerks were in the Plan and the Superior Court Clerks were not. She continued by stating she was always advised it had to be a group consensus in order to be included in the Pension Plan. Ms. Ponder said in 2018, she received a repayment notice with the calculation reflecting the year 2018, not 2012 as her first year of service. She stated she had always been advised the State and Superior Law Clerks were to be treated equally. The letter she received informed her she was denied being added to the Pension Plan because she was a State employee. Ms. Ponder stated she has never been a State employee. And at that time, she inquired to see if she would be eligible to be added to the County Plan. She was advised it was not an option for her to join the State Plan. Ms. Ponder advised the Pension Board she is now the only Superior Court Law Clerk who has been employed with the County prior to 2018 and she is the only employee this change would affect.

Mrs. Bivins explained to Ms. Ponder, after looking at the history of what transpired with the State Court Law Clerks, it was discovered in 2011 that all the State Court Law Clerks had expressed an interest in joining the Defined Benefit Pension Plan. She advised her the previous Pension Manager met with all the clerks and explained the Pension Plan. The State Court Law Clerks came together as a group and wanted to join the Plan. Whereas, the Superior Court Law Clerks were divided. The Pension Board amended the Plan and only included the State Law Clerks. The Pension Plan states the classifications of employees that are included/excluded by ~~position. Mrs. Bivins confirmed, at the time of the amendment, it did not include the Superior~~ Court Law Clerks, it only included the State Court Law Clerks. Ms. Ponder asked, "Why was I told all or nothing?" Mrs. Bivins told Ms. Ponder, she did not know why she was informed it was all or nothing.

Ms. Ponder stated she was not made aware of this until 2018. And it was prior to 2011 when she informed of the all or nothing. At this point, she made her first inquiry to the Court Administrator as to why he would not pursue it. Ms. Ponder asked what type of inquiry was made about the consensus because she was never given a vote. She asked, "Why did the Board mention their decision was divided." Mrs. Bivins advised Ms. Ponder that the current Pension Board members were not present during that particular time, and she was not able to give her any type of input to her question. Mrs. Bivins continued by stating she can only advise her of what the Plan stated during that time, which specifies the employees who were eligible and not eligible. Ms. Ponder was advised that in order for the Plan to change, the Pension Board would have to do an amendment, which was done in 2018 to include the Superior Court Law Clerks. Mrs. Bivins advised Ms. Ponder "due to IRS Regulations and to make sure our Plan is a valid Plan, we can only make changes that impact that Plan Year. We were only allowed to go back to January 1 of the eligible year." Ms. Ponder was advised the Pension Board has to abide by what the Plan stated during that time, which defined who were eligible and not eligible.

Ms. Ponder expressed her concerns about a statement in her correspondence reading, "when it was presented and not accepted." Ms. Ponder asked whom was this information pertaining to regarding the Pension Plan? Mrs. Bivins advised Ms. Ponder of the information pertaining to the Pension Plan was presented to all of the Law Clerks. After meeting with the Court Administrator at that time, the decision was made to add the State Law Court Clerks to the Pension Plan. Mrs. Bivins continued by stating she could not give her specifics as to why the decision was made. Nor did she have knowledge of how the Court Administrative met with the Law Clerks, individually or as a group. The explanation provided to the Pension Manager at that time was that the Superior Court Law Clerks were divided and the State Court Law Clerks were moving forward. The Plan was amended by the Pension Board members at that time, and presented to the Board of Commissioners to be ratified and approved. Mrs. Bivins reiterated to Ms. Ponder, the Pension Board could not revert and give retroactive years to include an individual in a Plan.

Ms. Ponder questioned why the information was not presented in the initial vote given to the Law Clerks. Mrs. Bivins advised Ms. Ponder, according to the information given to her, she was under the assumption the Law Clerks were eligible for a State Pension at that time. This is also based on the information the prior administration provided. Ms. Ponder stated the only issue she was aware of at that time was that the Law Clerks had to become Civil Service employees.

Ms. Ambles informed Ms. Ponder she didn't think Civil Service would apply. Ms. Ponder interjected that was the reason the Superior Court Law Clerks were not in consensus. Mrs. ~~Bivins advised Ms. Ponder, whatever their options were; the Pension Board was not privy to~~ the information. Ms. Ponder asked, "If there was anything the Board is able or will to do?" Mrs. Bivins response, "there is nothing the Pension Board could do without violating our Plan." She continued by stating this would be going outside the Plan year and going against the IRS Regulations and Guidelines. Mrs. Bivins advised Ms. Ponder she had spoken with legal and our financial advisor.

Ms. Ponder concluded by asking if there was a reason, all of the Law Clerks were not notified of the pension change, because she was advised if there was a prior request for her to be included in the Plan, it could not be considered because it was not included in the amendment during that time.

Chairman Hicks stated the Plan document contains groups of classifications, not individual classifications. As to why it was divided and whatever happened in 2012, it cannot be included at this point in time.

Ms. Dodson explained to Ms. Ponder that each Pension Board member is a Fiduciary and must go by the Plan. Even with Fiduciary Insurance, the Pension Board still has to abide by the Plan.

Ms. Ambles expressed her gratitude to Ms. Ponder for the longevity of service and her hard work she has contributed to the County; and she appreciates her service and dedication to Clayton County.

Ms. Ponder, Mr. Will Simmons and Judge Geronda Carter exited the meeting.

12. Chairman Hicks opened the meeting to discuss other business. Other business discussed was the upcoming GAPPT Conference, which will be held March 23 – March 26, 2020. Chairman Hicks asked the Pension Board members to submit their training hours, the new State Law requires members to record their hours. Chairman Hicks is requesting the Pension Board members to record their hours during the Pension Board meetings, so it would be on record. The credit ends on March 31st of each year.

    Ms. Dodson informed the Pension Board members that if they are searching for the correct form to submit for the conference, she was advised it would be available at this years' conference in March.

    Chairman Hicks opened the discussion for custodian change. Kerri Hathaway recommended Rick Arenburg give an update on the custodial change to US Bank in Jon Breth's absence. Mr. Arenburg opened by stating, "The team US Bank has working on this matter is not familiar with governmental plans. The Custody Agreement being proposed for the County to enter into refers to Clayton County having a trust. It refers to the County as abiding by prohibited transactions rules subject to the trust; and refers to the County as abiding by a prohibited ~~transaction guidelines under the Internal Revenue Code. Mr. Arenburg stated that he has~~ submitted a request for a revision of the proposed agreement to US Bank. He continued by stating US Bank has a viewpoint that the County is subject to certain prohibited rules under the Internal Revenue Code and wants the County to represent that it is following guidelines and prove that they are being followed. US Bank is also requesting the County provide proof of following the Internal Revenue Code guidelines. He stated he will give Jon a briefing and rationale as to why the requirements US Bank is requesting do not apply to Clayton County and will see if the issues can be resolved.

He concluded by saying for-profit entities maintain tax-qualified plans that usually have a trust, and the trustee never asks for this type of representation or information in a trust agreement. Some of the information that is being requested is not the business of a custodian. If an agreement cannot be reached from a technical aspect, a business decision will need to be made whether to agree to those representations. He advised the Pension Board that he has not had any direct conversation with US Bank and does not have a feel as to how likely US Bank will agree to the requested changes.

13. A motion was made by Mrs. Bivins to adjourn the Regular Pension Board Meeting and seconded by Ms. Katherine Dodson. The vote was unanimous.

Clayton County Pension Board

Terry R. Hicks — 5/14/2020

Terry Hicks, Chairman — Date

Ramona Bivins — 5/14/2020

Ramona Bivins, Secretary — Date