

**MINUTES
BOARD OF COMMISSIONERS
PEACE OFFICERS' ANNUITY AND BENEFIT FUND**

Wednesday, September 4, 2019
1208 Greenbelt Drive
Griffin, Georgia
10:30 A.M.

Present:

Keith Glass, Vice Chairman
Dennis Bell
Dan Kilgore
Greg Dozier

Tyrone Oliver (via teleconference)
Brandt Barlow, CFO
Bob Carter, Secretary/Treasurer
David C. Will, Attorney to the Board

The meeting was called to order by Vice-Chairman Keith Glass. Robert Carter led the invocation.

The following items were considered by the Board:

I. APPROVAL OF MINUTES OF PREVIOUS MEETING

David Will pointed out some revisions that were made to the Minutes and encouraged everyone to read over them.

The August 7, 2019 Board Meeting Minutes were reviewed. Dan Kilgore made a motion, seconded by Dennis Bell, to approve the Minutes of August 7, 2019. The vote was unanimous.

II. FUND MANAGEMENT PROPOSALS

The following three presenters were asked to submit proposals for consulting fees for management of the Peace Officers Annuity & Benefit Fund Portfolio since manager fees are similar under both UMA platforms. The proposals submitted are on file.

James Fallon of Cambridge Investment Research, and an institutional consultant with Callan, was present with representatives Neal Kaplan and Sean Kane of Natixis, to present a Fund Management Proposal to the Board. He stated the Natixis UMA platform is the clear leader in this race with the best-in-class managers at lower pricing and unbiased recommendations. They offer integrity with no hidden fees and no conflicts of interest. Sean Kane advised that Natixis is the “plumbing” that executes and interfaces with all underlying managers and can

trade as the managers do. Mr. Fallon said fees are based on the assets. He proposed a combined consulting fee of 0.0986% of the assets. He advised his team does not prefer a specific custodial institution and it would remain the choice of the POAB Board.

Andy Harbour and Walter Jamison of Morgan Stanley, Greystone, were present. Mr. Harbour said it has been a privilege and an honor to work with the Peace Officers' Fund Board. Morgan Stanley proposed a true consulting fee of 0.04% of the assets. With the current value at approximately \$820 million, that figure would be \$328,000, to be billed quarterly. This consulting fee is guaranteed for up to three years. Mr. Carter inquired, and was advised, that State Street is acceptable as the custodial bank for Morgan Stanley. Mr. Harbour said there are some custodian solutions that are smaller and more local if POAB would like to make a change, and Morgan Stanley would provide research if requested.

David Will asked how Morgan Stanley would integrate the portion of the fund currently held by UBS. Mr. Harbour advised they would review the Investment Policy Statement before making any move. The transfer would be electronic and any managers the Fund would like to keep could be easily incorporated into the Morgan Stanley platform. He reiterated Morgan Stanley truly wants to be a partner with the Peace Officers' Fund going forward and you would be working with an Atlanta based team. Mr. Will asked if Morgan Stanley is committed to continue serving funds our size. Mr. Harbor said absolutely, they are.

Ray Vuicich and Jeff Woody of UBS made a presentation to the Board, highlighting that UBS has invested assets of \$1.2 trillion in the states and \$3 trillion globally. UBS was ranked #1 on Barron's Top Institutional Consultants for 2018 and 2019. Mr. Vuicich said they operate in a highly regulated environment and a pretty tight framework. He spoke of his history with the POAB fund and appreciated the Board having confidence in his abilities to date. David Will asked how UBS would combine the two portfolios if awarded the responsibility. Mr. Vuicich advised he has a good relationship with some of the other managers (currently with Morgan Stanley) and would get recommendations on all the active portfolios, while adhering to the current Investment Policy. He proposed an annual fee schedule (billed quarterly) of 0.05%.

After hearing the three proposals, Keith Glass initiated discussion about the fees and where the board places trust.

Dennis Bell expressed his concern that Morgan Stanley and UBS both initially resigned before the Board made a decision. They then came back to the table when invited to submit proposals for today. He said his confidence is in Jim Fallon and Callan.

Greg Dozier asked if the fees presented are "apples to apples"? Brandt Barlow, CFO for the fund, presented a Fee Comparison Document reflecting the fees of

Morgan Stanley and James Fallon/Callan/Natixis. UBS fees were clearly specified in their presentation. The final fees presented were as follows:

James Fallon	9.86 Basis Points
Morgan Stanley	4 Basis Points
UBS	5 Basis Points

Mr. Carter confirmed that Morgan Stanley and UBS are both still holding the funds they have been managing.

Greg Dozier asked Mr. Carter how he could justify such a big difference in fees with Callan.

Bob Carter said the quality of service and the input from Callan justifies the difference. He expressed confidence that Callan can make up the difference through manager performance returns. Mr. Carter advised he is comfortable giving them a try.

After extensive discussion, Dennis Bell made a motion, seconded by Greg Dozier, to place management of the entire Peace Officers' Annuity & Benefit Fund Portfolio with James Fallon. The vote was unanimous.

III. RETIREMENTS FOR APPROVAL

Greg Dozier made a motion, seconded by Dan Kilgore, to approve the September 2019 list of requests for retirement. The vote was unanimous.

IV. REQUEST FOR LEAVE OF ABSENCE

Greg Dozier made a motion, seconded by Dan Kilgore, to approve the following request for a Leave of Absence: The vote to approve was unanimous.

Derek Scott Leader; 7-1-17 service in fund; Resigned from Clayton Co. Sheriff's Dept.
On 8/22/2019

V. LEGAL MATTERS

Attorney David Will advised he has the contracts in place for transfer of the POAB Fund to Callan.

Mr. Will has followed up with a third demand letter to Susan Wyrick, survivor of Bob Wyrick, who owes the fund \$28,621.08 due to overpayment of retirement benefits.

VI. MEMBERSHIP REPORT

Robert Carter provided a membership report for the month of August.

VII. OTHER BUSINESS

Robert Carter presented documentation regarding Athens/Clarke County Superior Court Clerk reflecting the penalty and interest due to the fund. He advised we have been in communication with them and they appear to be making an effort to bring the account current. However, the Board has the authority to waive the penalty if the entity will pay the interest. He proposed the Board waive the \$1,452.77 penalty.

Dennis Bell made a motion, seconded by Greg Dozier, to waive the penalty of \$1,452.77 due to the fund from Athens/ Clarke County Superior Court Clerk. The vote was unanimous.

Brandt Barlow presented a copy of the FY June 30, 2018 Audit Report to the board members. There were no significant findings in the report, just basic information on the fund.

There was brief discussion regarding the upcoming legislation in 2020.

VIII. NEXT MEETING DATE AND LOCATION

The next meeting of the Board will be held on Wednesday, October 2, 2019, at the Fund office, 1208 Greenbelt Drive, Griffin, Georgia, 30224.

There being no further business to come before the Board, the meeting adjourned at 12:25 P.M.

Respectfully submitted,



Robert Carter
Secretary/Treasurer