

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

WEDNESDAY
May 5, 2021
1208 Greenbelt Drive
Griffin, Georgia 30223
10:30 A.M.

Present:

Homer Bryson, Sec/ Treasurer
Keith Glass, Chairman
Stephen Adams
Greg Dozier
Dan Kilgore

Tyrone Oliver
Rob Turner
Brandt Barlow, CFO
David Will, Board Attorney

The meeting was called to order by Chairman Glass. Homer Bryson provided the invocation.

The following items were considered by the Board.

I. APPROVAL OF MINUTES OF PREVIOUS MEETING

The April 7, 2021 Board Meeting Minutes were reviewed. *Dan Kilgore made a motion, seconded by Stephen Adams, to approve the Minutes of April 7, 2021. The vote of approval was unanimous.*

II. FINANCIAL REPORTS

Joe Griffin and Steven Southerland were present with an actuarial experience study from Foster & Foster. Mr. Griffin said the purpose of the evaluation is to project out over the next 100 years. An actuary looks at the payout and revenues. Nothing is short term from an actuarial standpoint. Most important is the investment rate of return. This information was put into a model to come up with the investment return assumption of 6.5% per year for the Peace Officers' fund. Foster & Foster recommends no change for the current assumption of 6.5% at this time.

Mr. Southerland reviewed other recommendations for the fund involving disability, retirement and withdrawal rates and mortality rates.

Greg Dozier made a motion, seconded by Stephen Adams, to approve the following recommendations presented by Foster & Foster:

- Investment Return – Based on the Fund’s asset allocation and long-term expected rates of investment return by asset class provided by the Fund’s investment advisor, we recommend no change to the long-term investment return assumption of 6.5% per year (net of investment related expenses).
- Retirement Rates – We recommend reducing the current assumed rates for retirement at all ages to reflect the Fund’s experience more closely.
- Withdrawal Rates – We recommend increasing the current assumed rates for termination at all ages to reflect the Fund’s experience more closely.
- Disability Rates – We recommend eliminating the disability rates in the valuation as they only impact the benefits of a small percentage of members who joined the fund prior to July 1, 1993.
- Mortality Rates – We recommend adopting tables based on public safety experience from the Society of Actuaries’ recent mortality study on public sector plans.

The vote of approval was unanimous.

Jim Fallon, Neal Kaplan and Paul Troup were present to provide an update/review of the fund. Mr. Fallon said the fund is hovering right at \$1 billion. He plans to present a deep dive study by Callan at the July meeting. We will be looking at diversifying fixed income, a possible bank loan strategy and we will continue tweaking the asset allocation. Mr. Fallon said the fund beat the benchmark last quarter and he will have a full investment report in June.

Paul Troup discussed Emerging Markets and the current structure of the fund. We are not collecting all opportunities available. AmRet recommends the addition of Emerging Market Equity to the International Investment Structure. There are three ways for implementation into the portfolio. The first is through American Depository Receipts (ADR). This is efficient as well as low cost and the bank does all the work. This is how three of the current developed market portfolios are managed for this fund. Second, a Mutual Fund or commingled investment trust (CIT), can be efficient but more costly. Third, a separately managed account- individual stocks held at State Street for the fund. However, there are expensive custody costs and this is not recommended. Mr. Troup said the board will need to authorize Emerging Markets as part of the International Portfolio.

Mr. Fallon said we will be trying to diversify further and will be discussing alternative investments in the future as well. There is no decision necessary today but approval to proceed with research is needed.

Greg Dozier made a motion, seconded by Tyrone Oliver, to proceed with the

research and bring a recommendation back to the board regarding adding Emerging Markets to the Fund portfolio. The vote of approval was unanimous.

Brandt Barlow presented a proposed budget for FY 2022 to be reviewed and voted on in the June meeting. He advised the revenues for the fund are hitting the high-water marks.

III. RETIREMENTS FOR APPROVAL (List on file)

Dan Kilgore made a motion, seconded by Tyrone Oliver, to approve the May 2021 list of requests for retirement. The vote was unanimous.

IV. LEGAL MATTERS

David Will advised the hearing for Larry Postell regarding his eligibility for retirement with the fund has been scheduled for later this month.

The lawsuit with Davita has been settled and the court has approved a distribution plan for the payout. The reimbursement of \$10,000 in fees has also been approved. Saxena White, the firm who handled the lawsuit, will be at the June board meeting with information on another class action suit.

V. OTHER ITEMS OF INTEREST

Homer Bryson presented the Membership Report for April. He echoed Brandt Barlow's comment about court revenues trending high. Back the Badge fees are also coming in well.

Mr. Bryson presented an item for consideration regarding survivors. We recently ran a report to research deaths of vested members not reported to the fund. We identified three individuals who are entitled to survivor benefits. It appears that these survivors were not aware of the POAB benefit until we contacted them. If we make the benefit retroactive, it will total \$41,859.55. Typically, we do not make these benefits retro past 6 months without board approval. In this case, we will go with the board recommendation.

Stephen Adams made a motion, seconded by Rob Turner, to approve retroactive benefits be paid to survivors of Eddie Gilmore, Dexter Irvin and Anthony Robinson in the total amount of \$41,859.55. The vote of approval was unanimous.

Mr. Bryson presented an issue regarding the purchase of prior service for members who have at least five years in the fund. We have some who like to purchase in increments of one or two months at a time. The process of calculating, receiving and posting buy backs, if done repeatedly for the same member, can be labor intensive. Staff has proposed that the board create a policy

of a 6-month minimum purchase for prior service, except in the event of extenuating circumstances. In that case, the Secretary/ Treasurer could approve a lesser purchase.

Greg Dozier made a motion, seconded by Dan Kilgore, to approve creation of a policy of a 6-month minimum purchase for prior service, except in the event of extenuating circumstances. In that case, the Secretary/ Treasurer could approve a lesser purchase. The vote of approval was unanimous.

VI. PUBLIC RETIREMENT SYSTEMS TRUSTEE TRAINING

Board members in attendance at the meeting today, in person and virtually, will receive one (1) hour of training credit for the presentation by Paul Troup which included investments, investment management, portfolios and strategies.

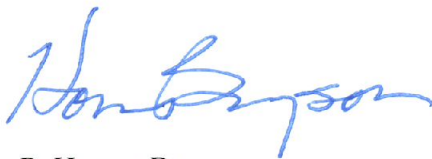
VII. NEXT MEETING DATE AND LOCATION

The next meeting of the Board will be held on Wednesday, June 2, 2021, at the Fund Office at 10:30 AM.

There being no further business to come before the Board, Stephen Adams made a motion, seconded by Tyrone Oliver, to adjourn the meeting. The vote of approval was unanimous.

The meeting was adjourned at 12:00 P.M.

Respectfully submitted,



P. Homer Bryson
Secretary/Treasurer