

MINUTES
BOARD OF COMMISSIONERS
PEACE OFFICERS' ANNUITY AND BENEFIT FUND

WEDNESDAY
June 2, 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. Attorney David Will provided the invocation.

The following items were considered by the Board.

I. APPROVAL OF MINUTES OF PREVIOUS MEETING

The May 5, 2021 Board Meeting Minutes were reviewed. *Dan Kilgore made a motion, seconded by Stephen Adams, to approve the Minutes of May 5, 2021. The vote of approval was unanimous.*

II. FINANCIAL REPORTS

Joe Griffin and Steven Southerland were present with an Actuarial Valuation from Foster & Foster. Mr. Griffin said the valuation includes actuarial assumptions based on a collection of member data, provisions of the plan and revenue data to determine minimum funding standards. Because of SB 249, the Peace Officers' Fund will see a jump in the pension payout in July 2021.

Mr. Southerland advised of an increase in non-vested members. Mr. Griffin projected higher revenues moving forward. SB249 provides the ability to increase member contributions in the future if the Board deems it necessary. He said the recent data cleanup performed by Peace Officers' staff was extremely instrumental in making the report more accurate.

Mr. Bryson added that we have already seen a significant increase over last year in revenues from the fines and fees submitted by local courts.

Greg Dozier made a motion, seconded by Tyrone Oliver, to accept the actuarial report submitted by Foster and Foster. The vote of approval was unanimous.

Maya Saxena, Rhonda Cavagnaro and Stefanie Leverett of portfolio monitoring firm, Saxena White, were present. Maya Saxena provided a brief overview of the services they provide as a portfolio monitoring company. Data is analyzed on a real-time basis and they work directly with the custodian bank. The majority of pension systems do have monitoring firms in place. She advised the Davita case, just recently resolved, resulted in a \$135 million recovery. Ms. Saxena informed the board of a potential case against Credit Suisse. Credit Suisse is a global financial services company based in Zurich, Switzerland with multiple scandals and fines in recent years stemming from risk taking and reckless lending in wealth management. They have repeatedly mis-lead investors regarding their lack of internal controls. They trade in the US as an ADR. The Peace Officers Fund is well suited to serve as lead plaintiff in this case, having purchased a large number of Credit Suisse ADRs during the time frame in question. The loss of \$270,000 to the Peace Officer's fund is the largest of any institutional investor, to their knowledge. Ms. Saxena said the case would be filed in the Southern District of New York and anticipated recovery could be 20 to 80%. If the Board should decide to serve as lead plaintiff, the deadline to do so would be June 15th. Ms. Saxena asked the board to carefully consider the request.

Jim Fallon was present and called it an unfortunate set of circumstances. There was extensive discussion regarding the fiduciary responsibility of the board to hold a company responsible for such a large loss. Mr. Fallon assured the board he is in discussion with Causeway, the money manager responsible for the investment with Credit Suisse.

Jim Fallon, Neal Kaplan and Paul Troup of AmRet were present to provide a review of the fund portfolio. Mr. Fallon said the fund is currently at \$1,017,000,000 and is up year-to-date by 8.9%.

Paul Troup provided a detailed review of the quarterly report. There was discussion of the target asset allocation. He said none of the managers are raising red flags for lack of performance at this time. Mr. Troup advised the Investment Policy is still a work in progress. There was continued discussion of the unusual market environment and the need to add potential "octane" to the portfolio.

Jim Fallon talked about Emerging Market performance and his upcoming agenda for the summer presentations.

Greg Dozier made a motion, seconded by Dan Kilgore, to approve the financial report as presented. The vote of approval was unanimous.

Brandt Barlow reviewed the proposed budget for FY 2022 originally presented in the May meeting. He advised revenues are continuing to grow. We are keeping about \$11 million available to pay pensions. He said there is a proposed increase in salaries for the staff.

Stephen Adams made a motion, seconded by Tyrone Oliver, to approve the Budget for FY 2022 as presented. The vote of approval was unanimous.

III. RETIREMENTS FOR APPROVAL (List on file)

Dan Kilgore made a motion, seconded by Rob Turner, to approve the June 2021 list of requests for retirement. The vote was unanimous.

IV. LEGAL MATTERS

David Will advised the hearing for Larry Postell took place recently. Mr. Postell is the City Manager in Greensboro, Georgia, and maintains he is still employed as a police officer with his POST certification current. Mr. Postell provided a letter verifying his status as an officer but the letter was determined to have been “recreated” rather than an original. His attorney called after the hearing and wanted to settle. Mr. Will said he would provide the report from the hearing officer at the July board meeting.

Mr. Will opened discussion regarding Saxena White and the proposed suit against Credit Suisse. The question is whether the Peace Officers’ Fund will file as lead plaintiff. He advised Saxena White has done a good job for us on other work. DaVita was their highest recovery thus far. It would be a class action suit and we are the key as there are no other institutional investors on this one. Several board members questioned whether there is a conflict if we are still invested with Credit Suisse. Dan Kilgore said we have a fiduciary responsibility to look at this closely and make the right decision. Rob Turner said if we feel there is wrong-doing, the board has a moral obligation to move forward with the case.

Dan Kilgore made a motion, seconded by Rob Turner, to move forward as lead plaintiff with Saxena White in a class action suit against Credit Suisse. The vote of approval was unanimous.

V. OTHER ITEMS OF INTEREST

Homer Bryson presented the Membership Report for May. He noted the retirement payout will increase in July from \$3.59 million to \$4.28 million. Chairman Glass commented the increase for retirees going out in July is a major achievement for the fund and a great thing for the membership.

VI. PUBLIC RETIREMENT SYSTEMS TRUSTEE TRAINING

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

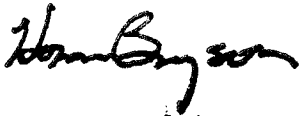
VII. NEXT MEETING DATE AND LOCATION

The next meeting of the Board will be held on Wednesday, July 7, 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 12:40 P.M.

Respectfully submitted,



P. Homer Bryson
Secretary/Treasurer