

**BOARD OF TRUSTEES OF THE CITY OF ATLANTA
GENERAL EMPLOYEES PENSION FUND
MINUTES OF MEETING**

April 4, 2012

A meeting of the Board of Trustees of the City of Atlanta General Employees Pension Fund was held on April 4, 2012 in City Hall, Committee Room 1, and Atlanta, GA.

TRUSTEES PRESENT:

Alfred Berry, Jr.

Douglas Strachan

Yvonne Cowser-Yancy

Aaron Watson

Angela Green

Jim Beard

Yolanda Johnson

Gregory Nash

TRUSTEES ABSENT:

Aretha Sumbry-Powers

OTHERS:

Richard Larimer, GEMGroup; Amber Robinson, City Law Department, Ray Adams, Office of Retirement Services; Larry Gray of Gray & Company.

Mr. Berry called the meeting to order at 9:30 A.M. There was a quorum.

ADOPTION OF AGENDA:

A revised Agenda was distributed with an item added.

MOTION: A motion was made and seconded to adopt the revised Agenda as presented. The motion passed.

APPROVAL OF MINUTES:

Ms. Robinson pointed out corrections to the spelling of two firms' names in the March minutes. Administrator will make the corrections.

MOTION: A motion was made and seconded to adopt the Minutes of the March 7, 2012 meeting, as corrected. The motion passed.

GENERAL EMPLOYEES' PENSION FUND PENSION AWARDS:

SERVICE PENSION APPLICATIONS

The Service Pension Applications on the attached spreadsheet were presented to the Board for approval.

MOTION: A motion was made and seconded to approve service pension applications Nos. 1-6 as listed on the attached spreadsheet dated April 4, 2012. The motion passed.

CORRECTION

A correction to a Service Pension that had previously been approved was presented to the Board for further review and approval. The correction reflects an increase in the previously approved benefit due to Shift Differential pay being reported after the board approval. The correction results in the new benefit being \$40.04 more than previously approved. Administrative reporting procedures have been changed to prevent missing this type of compensation in the future.

MOTION: A motion was made and seconded to approve the corrected monthly benefit amount as presented on the attached spreadsheet. The motion passed.

DISABILITY PENSION APPLICATIONS

The Disability Pension Application on the attached spreadsheet was presented to the Board for action.

MOTION: A motion was made and seconded to approve the disability application as listed on the attached spreadsheet dated April 4, 2012. The motion passed. Ms. Green abstained.

Ms. Green abstained because a copy of the application and the physician statement form were not included in the meeting materials. Administrator will include redacted copies in future meeting packages.

BENEFICIARY PENSION APPLICATIONS

The Beneficiary Pension applications on the attached spreadsheet were presented to the Board for approval.

MOTION: A motion was made and seconded to approve Beneficiary Pension applications Nos. 1 – 5 on the attached spreadsheet dated April 4, 2012. The motion passed.

APPROVAL OF CHECK REGISTER AND INVOICES:

A Check Register dated April 4, 2012 was presented for review and approval.

The invoice for Segal Company's Experience Study was shown as being allocated using the standard allocation proportion between the City and APS. This invoice should have been allocated evenly between the City and APS. Administrator will correct the allocation and reissue the check for signature at next month's meeting.

MOTION: A motion was made and seconded to approve 8 items- #35703 - #35711 (excluding #35702 to Segal and Company) -- on the Check Register dated April 4, 2012 totaling \$68,031.48. The motion passed.

REVIEW OF FEBRUARY 2011 FINANCIALS:

The financials for the period ending February 29, 2012 were presented. Mr. Beard again recommended that acceptance of receipt of the financials be deferred until he had the opportunity to thoroughly review the spike in Employee Contributions in December.

MOTION: A motion was made and seconded to defer a review of the February 29, 2012 financial statements as presented, pending a more thorough review by the CFO.

Mr. Berry questioned why the fees shown for Vanguard and Artisan in the Exhibit to the financial statements were estimated, not exact. These two holdings are mutual funds and the fees are not billed directly per investor but are calculated on total fund assets, netted against the overall asset value and prorated among all holders. Gray & Company provides the calculation each month; Mr. Gray commented that he would look into obtaining some additional fee billing information from Vanguard and Artisan.

The Board questioned the first check listed on the Wells Fargo account statement (#3032) in the amount of \$2350.01 as being out of number sequence. Prior to the end of the meeting, Ms. Hill of Wells Fargo explained that the check number had been incorrectly entered when the check was presented for payment. It had been flagged as part of the Positive Pay system, reviewed by GEMGroup and verified as a valid check and paid. In the future, the check number will be corrected as part of check authentication process.

Mr. Berry again inquired about the \$705,778.50 check to the City for the insurance deductions and why this could not be remitted by wire transfer. Subsequent to the meeting, the Administrator received direction from the City Finance Department to remit the insurance deduction amount each month by wire transfer. The wire transfer payment method for this item was implemented for the April transaction.

LAW DEPARTMENT:

Ms. Robinson reported that the Fulton County Taxpayers lawsuit, to which the GEPP had been named party, had been dismissed.

ACTUARY REPORT

None

INVESTMENT CONSULTANT REPORT:

Mr. Gray reviewed the Performance Flash Report for the period ending February 29, 2012. Total market value of assets were \$1.054 billion (\$1.066 billion at April 2nd) and current month and quarter returns were strong at 3.36% and 7.67%, respectively, with both exceeding the Policy Index

net of fees for those periods. The Large and Small Cap segments performed well in the period with the active managers either meeting or exceeding the benchmark net of fees. The Mid Cap segment continued to struggle with both managers coming in under the benchmark for the quarter and the one-year period. In the Fixed Income segment, the overall composite beat the Barclays Index for the quarter but underperformed for the one-year period. JP Morgan/BancOne and Mesirow delivered solid performance and outperformed their benchmark in both periods. Overall, the portfolio remains within the target asset allocation guidelines.

Atlanta Capital was put on Watch due to the departure of a key member of their portfolio team. Mr. Gray will work with Mr. Larimer to prepare a notification letter to Atlanta Capital.

Following up on a discussion from last meeting, Mr. Gray presented a revised analysis of the Madison Square offer of a performance-based fee or a reduced flat rate fee. The spreadsheet illustrated various scenarios in which Madison Square underperformed their benchmark (a 5 basis points fee would apply), and outperformed the benchmark in which case a progressively higher fee would apply. After considerable discussion and the recommendation of Mr. Beard, the consensus of the board was to remain with a fixed percentage fee approach.

MOTION: A motion was made and seconded to accept Madison Square's reduced fixed fee option for managing their GEPP portfolio instead of a performance-based fee arrangement. The motion passed.

Mr. Norman introduced his colleague Greg Pittenger as the new Client Advisor for JP Morgan Asset Management, replacing Mr. Norman who has accepted a position to manage a JP Morgan office in Ghana. On behalf of the Board, Mr. Berry acknowledged Mr. Norman's fine service to the GEPP over the years and wished him well.

OLD BUSINESS:

Letter Provided to Prospective Retirees - Following up on a request from the last meeting, Mr. Larimer reviewed a Sample letter that is sent to all prospective retirees specifying the details of their pension calculation including dates of service, unused sick credit and any age or early retirement penalty that is being applied. GEMGroup requires this letter to be signed, notarized and returned prior to the pension application being placed on the agenda for board approval.

Summary of Plan Clarifications of GEPP Processing Rules – Ratification - An updated version dated February 2012 of the Summary of Plan Clarifications was presented for formal Board ratification. Ms. Robinson commented that the 25 items in the Summary had been approved by City Law Department and the Office of Pension Management. Ms. Robinson mentioned that Item #17 requiring probate prior to final distribution was being re-considered by the Law Department and a new recommendation may be forthcoming.

MOTION: A motion was made and seconded to accept the February 2012 Summary of Plan Clarifications of GEPP Processing Rules as presented. The motion passed.

NEW BUSINESS:

Mr. Burbridge, CFO of Atlanta Public Schools – Mr. Burbridge was unable to attend and would be invited to the May meeting.

Fiduciary Liability Insurance – A discussion regarding the need for this type of insurance policy to cover Board members in their role as trustees of the GEPP was deferred to next meeting. The application will be provided to Ms. Denius in advance.

GAPPT Membership - Mr. Berry polled the Board members concerning their interest in membership in the Georgia Association of Public Pension Trustees. The expression of interest was unanimous. Administrator was asked to complete the membership application for all the trustees and include on the May agenda for approval and payment.

MOTION: A motion was made and seconded to go into Executive Session for the purpose of conducting privileged consultation with legal counsel pertaining to the appeal of a disability claim denial. The motion passed.

{Executive Session begins}

{Regular Session resumes}

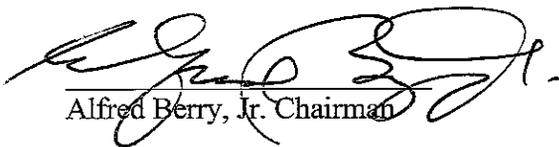
Based on the recommendation of City Law Department the following motion was made:

MOTION: A motion was made and seconded to affirm the previous denial of the disability application of Ms. Sheila Roussaw based on the initial doctor's certification that Ms. Roussaw was not totally and permanently disabled. The motion passed.

PUBLIC COMMENT: None

There being no further business to discuss, the meeting was adjourned at 10:50 a.m.

Respectfully submitted:


Alfred Berry, Jr. Chairman

Jim Beard, CFO & Secretary

GENERAL EMPLOYEES PENSION FUND BOARD MEETING

DATE: April 4, 2012

SERVICE PENSION APPLICATIONS

<u>DATE RECEIVED</u>	<u>NAME</u>	<u>CLASSIFICATION</u>	<u>DEPARTMENT</u>	<u>AGE YEARS & MONTHS</u>	<u>PENALTY APPLIED # OF MONTHS</u>	<u>YEARS OF SERVICE YEARS & MONTHS</u>	<u>AMENDMENT</u>	<u>EFFECTIVE DATE</u>	<u>AMOUNT</u>
1	3/20/2012	Burton, Joyce M	Transportation	67 & 4 mo	0	18 & 5 mo	1978/2005	2/24/2012	\$702.57
2	3/5/2012	Griffin, Nathaniel	Corrections	45 & 8 mo	171.4667 mo	16 & 4 mo	1978/2005	2/3/2012	\$668.40
3	2/20/2012	Malone-Farrar, Aline	Finance	60 & 0 mo	0	10 & 4 mo	1978/2005	1/30/2012	\$1,027.20
4	3/5/2012	Peter, Cyril	Public Works	55 & 8 mo	51.433 mo	10 & 1 mo	1978/2005	2/15/2012	\$381.76
5	3/21/2012	Turner, James	Aviation	51 & 2 mo	105.8 mo	11 & 7 mo	1978/2005	3/13/2012	\$736.13
6	3/6/2012	Tyson, Julia	Transportation	61 & 9 mo	0	21 & 11 mo	1978/2005	2/21/2012	\$1,280.57

SERVICE PENSION APPLICATIONS (CORRECTION)

1	2/15/2012	Cook, Charles	WPO Supervisor	63 & 6 mo	0	32 & 3 mo	1978/2005	12/8/2011	\$4,044.58
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Difference - \$40.04 Shift differential

DISABILITY PENSION APPLICATIONS

<u>DATE RECEIVED</u>	<u>NAME</u>	<u>IN LINE OR NOT IN LINE OF DUTY</u>	<u>CLASSIFICATION</u>	<u>DEPARTMENT</u>	<u>AGE YEARS & MONTHS</u>	<u>YEARS OF SERVICE YEARS & MONTHS</u>	<u>AMENDMENT</u>	<u>AMOUNT</u>	<u>RECOMMEND</u>
1	3/12/2012	Sessions, Steven C	Engineering Aide Sr	Watershed Mgmt	47 & 2 mo	12 & 4 mo	1986	\$1,311.62	A

BENEFICIARY PENSION APPLICATIONS

<u>DATE RECEIVED</u>	<u>PENSIONER NAME</u>	<u>BENEFICIARY NAME</u>	<u>DATE OF DEATH</u>	<u>EMPLOYER (CITY or APS)</u>	<u>TYPE OF PENSION</u>	<u>AMOUNT</u>	<u>AMENDMENT</u>	<u>BENEFICIARY AMOUNT</u>	<u>EFFECTIVE DATE</u>
1	3/20/2012	Anderson, Richard J	2/1/2012	CITY	Service	\$2,280.97	1978	\$1,710.73	2/2/2012
2	3/20/2012	Basmajian, Edward	2/17/2012	CITY	Service	\$3,521.47	1978	\$2,641.11	2/18/2012
3	3/20/2012	Lancaster, Howell	2/25/2012	CITY	Service	\$2,992.85	1978	\$2,244.64	2/26/2012
4	3/20/2012	Vickers, Imogene	1/6/2012	APS	Service	\$2,314.22	1978	\$1,735.67	1/7/2012
5	3/5/2012	Willis, Robert J	2/19/2012	CITY	Service	\$2,619.21	1978	\$1,964.41	2/20/2012