

**MINUTES**  
**BOARD OF COMMISSIONERS**  
**PEACE OFFICERS' ANNUITY AND BENEFIT FUND**  
WEDNESDAY  
August 7, 2019  
1208 Greenbelt Drive  
Griffin, Georgia  
10:30 A.M.

Present:

Homer Bryson, Chairman

Dennis Bell

Tyrone Oliver

Dan Kilgore

Greg Dozier (by teleconference)

Keith Glass

Robert W. Carter, Secretary/Treasurer

Brandt Barlow, CFO

David Will, Attorney

The meeting was called to order by Homer Bryson.

Mr. Carter offered an invocation.

The following items were considered by the Board:

**I. NEW BUSINESS**

The first order of business was to elect a Chairman and a Vice-Chairman. Homer Bryson called for a nomination for Chairman.

Keith Glass made a motion nominating Homer Bryson as Chairman. Dennis Bell seconded the motion and the vote was unanimous.

Dennis Bell made a motion nominating Keith Glass as Vice-Chairman. Dan Kilgore seconded the motion and the vote was unanimous.

**II. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The June 5, 2019, July 1, 2019 and July 8, 2019 (teleconference) Board Meeting Minutes were reviewed. Keith Glass made a motion, seconded by Dan Kilgore, to approve the Minutes of June 5, 2019, July 1, 2019 and July 8, 2019. The vote was unanimous.

David Will presented Minutes from Executive Sessions on June 5, 2019 and July 1, 2019. Keith Glass made a motion, seconded by Dennis Bell, to approve the Minutes from Executive Sessions on June 5, 2019 and July 1, 2019. The vote was unanimous.

David Will advised board member Tyrone Oliver was appointed to serve on the P.O.A.B. Retirement Board as the city law enforcement representative by the Governor's office. However, his career move as Commissioner of the

Department of Juvenile Justice changes his status. Mr. Will proposed that retired police chief, Keith Glass, serving as the Governor's appointee, not the attorney general, should switch positions with Mr. Oliver and serve in the municipal police officer position. The consensus of the board was agreement. This, however, is not an official change because the appointments are made by the Governor's office.

### **III. FINANCIAL REPORTS**

Andy Harbour of Greystone Consulting, Morgan Stanley, presented the quarter ending report for June 30, 2019. He advised he would be reporting in place of Jim Fallon, the former consultant who left Morgan Stanley recently. Mr. Harbour is part of a twenty-one person team for the Atlanta area. He stated Morgan Stanley's UMA platform saves money. He quoted a fee of 5.56 basis points. Mr. Will confirmed with him that these were the entire amount of fees to be paid to Morgan Stanley. Whether the investment style is active or passive, the compensation does not change. Due diligence has been done on all managers on the Morgan Stanley platform. Three algorithms are in place to ensure the best possible trading. He reminded the board of the necessity of conducting due diligence before hiring a manager, and said it was not best practices for the board to select managers without a thorough vetting. He used the selection of DRZ as an example. Mr. Will told him that DRZ had been provided to the board by Mr. Fallon, who told the board that he had conducted the due diligence on the firm. Chairman Bryson agreed and told Mr. Harbour that the board acted on managers provided to it by the consultants. For managers who have been brought on board but are not yet on the platform, like Sawgrass and DRZ, those rates will come down once they are on the UMA platform.

The report reflects the fund is at \$410 million, up 3.89% net for the quarter. There was significant outperformance for numerous managers.

For the benefit of the new board members, Homer Bryson provided a brief history of the relationship with consulting firm UBS. UBS was the sole consultant until a couple of years ago. For the purpose of staying competitive, the board placed 50% of the fund with Morgan Stanley, Greystone to manage while 50% remained with UBS. We've now come to a point that we feel it would be in the best interest of the fund to combine the portfolio and to return to one consultant managing the fund.

Robert Carter presented the quarterly report from UBS. As of the end of the quarter, the fund was at \$413 million, up 3.22%. He reported briefly on the performance of individual managers.

Jim Fallon was present with his associates from Natixis and Callan. They made a presentation to the board, highlighting advantages to allowing Mr. Fallon to manage the Peace Officers' portfolio. The team only does institutional consulting, and advised they operate an overlay platform, offering lower fees. The fees would be based on the value of the fund at a combined 6.46 basis points. Callan's fee is 1.87 basis points, paid by Natixis. Jim Fallon's fee would be an additional 1.87

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basis points, paid by the Fund. The board would be able to select their custodian of choice. Mr. Fallon presented contracts for approval from the board.

David Will advised, that after several meetings and discussions the Natixis contract is still unacceptable. Natixis is an overlay manager that does not really provide any service but there are fees attached. That is questionable. He expressed concern about the high fees in general and said he could not recommend consideration of the contracts at this time.

Homer Bryson proposed that no decision be made at this time. Mr. Carter confirmed the funds are safe where they are being held and no action has to be taken. Callan confirmed that it would not be a fiduciary to the Fund, as the Fund was not its client; Jim Fallon is its client.

Keith Glass made a motion, seconded by Tyrone Oliver, to table the approval of any contracts regarding a consultant until the September 2019 meeting. The vote was unanimous.

Brandt Barlow presented the year end income statement.

#### **IV. RETIREMENTS FOR APPROVAL (list attached)**

Keith Glass made a motion, seconded by Dan Kilgore, to approve the August 2019 list of requests for retirement, including the two Disability Retirements listed below. The vote was unanimous.

Harold W. Cochran; Dept. Of Community Supervision; 25-10-2 years in Fund; \$640.15 monthly benefit

Craig M. Rotter; Ga. Bureau of Investigation; 28-5-20 years in Fund; \$704.17 monthly benefit

#### **V. LEGAL MATTERS**

David Will had no legal issues to discuss.

#### **VI. OTHER ITEMS OF INTEREST**

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

Mr. Carter said SB 249 is the proposed funding bill and information was sent for an actuarial study to Foster and Foster. The goal is to eventually get to \$35 per year of service (\$1,050 per month). This would include jailors. HB 245 addresses remarriage for survivors without penalty.

Mr. Carter reminded everyone of the GAPPT training in September.

#### **VII. NEXT MEETING DATE AND LOCATION**

The next meeting of the board will be held on Wednesday, September 4, 2019, as a Conference Call at 10:30 A.M.

There being no further business to come before the board, the meeting adjourned at 12:30 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Robert Carter". The signature is written in dark ink and is positioned above the printed name.

Robert Carter  
Secretary/Treasurer