

**CITY OF ATLANTA DEFINED BENEFIT
PENSION INVESTMENT BOARD MEETING**
September 23, 2020
Teleconference
10:00 A.M. – 12:00 P.M.

BOARD MEMBERS PRESENT

| | |
|---------------------------------|---|
| FRANK SIMS | Chairman |
| JEFFREY NORMAN | HR Commissioner, City of Atlanta |
| JOSHUA WILLIAMS | Vice Chairman - COO, City of Atlanta |
| REGGIE GRANT | Appointee, City of Atlanta |
| NATALYN ARCHIBONG | Councilmember, City of Atlanta |
| MARCI COLLIER OVERSTREET | Councilmember, City of Atlanta |
| ROOSEVELT COUNCIL | CFO, City of Atlanta |
| JP MATZIGKEIT | Councilmember, City of Atlanta |
| BRENT HULLENDER | Fire, City of Atlanta |
| ALFRED BERRY, JR. | General, City of Atlanta |
| RICK 'BUD' LIGHT | Police, City of Atlanta |
| QUENTIN HUTCHINS | APS, City of Atlanta |

BOARD MEMBERS NOT PRESENT

| | |
|----------------------|---------------------------------------|
| JOYCE SHEPARD | Councilmember, City of Atlanta |
| HOWARD SHOOK | Councilmember, City of Atlanta |
| LISA BRACKEN | CFO, APS City of Atlanta |

OTHERS PRESENT

| | |
|------------------------|------------------------------------|
| MIKE SHEA | Zenith American Solutions |
| INETTA WORTHY | Zenith American Solutions |
| MARY SHAH | Strategic Benefit Advisors |
| STEPHANIE ATLI | Strategic Benefit Advisors |
| LOUIS AMIS | City of Atlanta HR |
| YOULANDA CARR | City of Atlanta Finance |
| CARL CHRISTIE | City of Atlanta Law |
| ALICIA THOMPSON | City of Atlanta Law |
| KWEKU OBED | Marquette Associates |
| JESUS JIMINEZ | Marquette Associates |
| ED EMERSON | Morris, Manning and Martin |
| AARON MOODY | Morris, Manning and Martin |
| MARSHA PETZEL | Wells Fargo |
| LAUREN HILL | Wells Fargo |
| JEANETTE COOPER | Segal |
| CHUCK CARR | Southern Actuarial Services |
| GAR CHUNG | Financial Investment News |

I. CALL TO ORDER

Chairman Mr. Frank Sims called the Webex teleconference meeting to order at 10:02 a.m. Chairman Sims noted that a quorum was present for the meeting.

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II. ADOPTION OF THE AGENDA

Mr. Shea informed the Board that Ms. Cooper from Segal Advisors was added to the agenda.

A motion was made by Mr. Grant to approve the Agenda as presented and the motion was seconded by Mr. Hullender. The motion unanimously carried and the Agenda was approved as noted.

III. PUBLIC COMMENT

Chairman Sims asked if there were any public comments. It was noted no public comments were made.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Minutes of the August 19, 2020 meeting, which were distributed in advance and reviewed by the Fund Professionals as customary.

Following review of the August 19, 2020 minutes, a **motion was made by Ms. Archibong to approve the Minutes the motion was seconded by Mr. Hullender. The motion was unanimously carried and approved.**

V. ATTORNEY'S REPORT

Fiduciary Liability Policy

Mr. Christie reviewed with the Board quotes from Hudson Insurance Company in the amount of \$2 million aggregate and \$3 million aggregate with higher sublimits. Mr. Christie advised the Board that he also reached out to Allied Insurance but have not received a quote.

Mr. Christie advised the Board that the \$2 million policy would cost \$73,236.00 and the \$3 million policy would cost \$94,676.00.

Mr. Christie advised the Board that the cost would be split as follows:

General Fund – 35%

Police Fund – 35%

Fire Fighters Fund – 30%

Mr. Berry asked Mr. Christie if they are seeing any higher limits being offered. Mr. Emerson advised the Board that he is only seeing \$2 million to \$3 million policies being offered now.

Ms. Archibong asked if the Board elected the higher amount would they be grandfathered into the higher amount if Hudson decided to reduce policy limits. Mr. Christie advised the Board that they unfortunately could not guarantee they would be grandfathered into a higher amount with Hudson.

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Ms. Overstreet asked Mr. Christie if he had a recommendation. Mr. Christie advised the Board that he would be ok with either policy. Chairman Sims informed the Board that they should defer to the three Board members who lead the different committees.

Mr. Light advised the Board that he would recommend obtaining the \$3 million policy.

A motion was made by Mr. Hullender to obtain the \$3 million policy, the motion was seconded by Mr. Berry. The motion was unanimously carried and approved.

Legislation Update

Mr. Hullender informed the Board that it appears the Legislation for the Investment Board appears to have been changed in March 2020 or April 2020 which reduced the number of Council members assigned to the Board.

Mr. Christie informed the Board that he is aware that the legislation did pass but he is currently not aware of the new composition of the Board. He advised the Board that he will review with Mr. Emerson and provide an update at the next Board meeting.

Appeals

Mr. Emerson informed the Board that there are four (4) appeals from the Police Pension Fund that will be presented at the next Board meeting. Mr. Emerson advised the Board that he will provide a brief summary of the issues prior to the next Board meeting.

VI. INVESTMENT CONSULTANT REPORT – Marquette Associates

Mr. Obed opened his presentation by informing the Board that his presentation will be a positive update for all three plans.

Mr. Obed provided the Board with an overview of the U.S. economy. He advised the Board new COVID-19 cases are beginning to decline across the U.S. He informed the Board that schools are back in session both online and in-person and unemployment dropped from 10.2% to 8.4% in August. Mr. Obed informed the Board that analysts are expecting a notable bounce back in 3rd quarter GDP.

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Mr. Obed reviewed the below GDP Projections:

GDP projections

GDP is expected to significantly contract, then rebound sharply

| Firm | 1Q Forecast | 1Q Actual | 2Q Forecast | 2Q Actual | 3Q Forecast | 4Q Forecast | 2020 (YoY) |
|--------------|-------------|-----------|-------------|-----------|-------------|-------------|------------|
| JP Morgan | -10.0 | -4.8 | -25.0 | -32.9 | 11.0 | 7.0 | -5.3 |
| Goldman | -9.0 | -4.8 | -34.0 | -32.9 | 19.0 | 12.0 | -6.2 |
| TD | -3.0 | -4.8 | -25.0 | -32.9 | 15.0 | 0.0 | -3.5 |
| BofA | 0.5 | -4.8 | -12.0 | -32.9 | 3.0 | 4.0 | -0.8 |
| Barclays | -0.5 | -4.8 | -7.0 | -32.9 | 0.0 | 1.0 | -0.6 |
| MS - Bull | -2.4 | -4.8 | -22.8 | -32.9 | 35.3 | 9.1 | -0.3 |
| MS - Base | -2.4 | -4.8 | -30.1 | -32.9 | 29.2 | 3.0 | -3.0 |
| MS - Bear | -2.4 | -4.8 | -43.4 | -32.9 | -3.6 | 29.1 | -8.8 |
| Capital Econ | 0.0 | -4.8 | -40.0 | -32.9 | 17.0 | 22.0 | -5.5 |
| DB | -2.3 | -4.8 | -34.0 | -32.9 | 19.7 | 11.1 | -3.8 |
| Nomura | | -4.8 | | -32.9 | | | -9.0 |
| UBS | | -4.8 | | -32.9 | | | -1.0 |
| Citi | -0.5 | -4.8 | -12.0 | -32.9 | 7.3 | 5.6 | -0.5 |
| Average | -2.9 | -4.8 | -25.9 | -32.9 | 13.9 | 9.4 | -3.7 |

Fixed Income

Mr. Obed informed the Board that fixed income for the year-to-date is strong at 6.9% year-to-date. Mr. Obed informed the Board that low interest rates helped fixed income. Mr. Obed reviewed with the Board the below chart.

Fixed income: Pandemic recovery underway

Yield curve steepens for first time after March COVID panic due to vaccine optimism, U.S.-China trade deal progress, and new Fed policy

| | | Month (%) | 3 Mo (%) | YTD (%) | 1 Yr (%) | 3 Yr (%) | 5 Yr (%) | 10 Yr (%) |
|---------------------------------|--------------------------------|-----------|----------|---------|----------|----------|----------|-----------|
| Broad Market Indices | Blm BC Aggregate | -0.8 | 1.3 | 6.9 | 6.5 | 5.1 | 4.3 | 3.7 |
| Intermediate Indices | Blm BC Int. Gov./Credit | -0.1 | 1.2 | 5.9 | 5.9 | 4.3 | 3.5 | 3.0 |
| Government Only Indices | Blm BC Long Gov. | -4.3 | -0.1 | 20.7 | 12.9 | 10.8 | 8.4 | 7.0 |
| | Blm BC Int. Gov. | -0.2 | 0.2 | 5.9 | 5.4 | 3.8 | 2.9 | 2.3 |
| | Blm BC 1-3 Year Gov. | 0.0 | 0.1 | 3.1 | 3.5 | 2.6 | 1.9 | 1.3 |
| | Blm BC U.S. TIPS | 1.1 | 4.6 | 9.6 | 9.0 | 5.7 | 4.6 | 3.7 |
| Credit Indices | Blm BC U.S. Long Credit | -3.4 | 5.1 | 8.5 | 8.2 | 8.8 | 9.0 | 7.4 |
| | Blm BC High Yield | 1.0 | 6.7 | 1.7 | 4.7 | 4.9 | 6.5 | 6.9 |
| | CS Leveraged Loan Index | 1.5 | 4.8 | -1.5 | 0.6 | 3.1 | 3.7 | 4.5 |
| Securitized Bond Indices | Blm BC MBS | 0.0 | 0.1 | 3.7 | 4.5 | 3.6 | 3.1 | 3.0 |
| | Blm BC ABS | 0.2 | 1.7 | 4.0 | 4.3 | 3.3 | 2.7 | 2.4 |
| | Blm BC CMBS | 0.2 | 3.3 | 5.9 | 4.9 | 4.8 | 4.4 | 4.7 |
| Non-U.S. Indices | Blm BC Global Aggregate Hedged | -0.7 | 0.9 | 4.3 | 3.3 | 4.8 | 4.4 | 3.9 |
| | JPM EMBI Global Diversified | 0.5 | 7.9 | 1.4 | 2.7 | 4.1 | 6.3 | 5.8 |
| | JPM GBI-EM Global Diversified | -0.3 | 3.2 | -4.4 | 1.5 | 0.7 | 4.6 | 1.3 |
| Municipal Indices | Blm BC Municipal 5 Year | 0.0 | 1.6 | 3.3 | 3.5 | 3.0 | 2.9 | 2.7 |
| | Blm BC HY Municipal | 0.3 | 7.1 | 0.3 | 1.0 | 5.6 | 6.4 | 6.0 |

Note: The local currency GBI index is unhedged and denominated in local currencies. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of August 31, 2020

U.S. Equity

Mr. Obed informed the Board that the U.S. Equity markets made a strong rebound after the 1st quarter of 2020. The market had a correction of over 20% in the first quarter. Mr. Obed advised the Board that the market has had the highest rebound ever at 56.4%.

U.S. equities: Best August in over 30 years

U.S. equity index returns

| | Month (%) | 3-Month (%) | YTD (%) | 1 Year (%) | 3 Year (%) | 5 Year (%) | 10 Year (%) |
|---------------------------------|-----------|-------------|---------|------------|------------|------------|-------------|
| Broad Market Indices | | | | | | | |
| Dow Jones | 7.9 | 12.6 | 1.3 | 10.3 | 11.6 | 14.2 | 13.8 |
| Wilshire 5000 | 7.3 | 16.0 | 9.6 | 21.8 | 14.0 | 14.1 | 15.0 |
| Russell 3000 | 7.2 | 15.9 | 9.4 | 21.4 | 13.9 | 13.9 | 14.9 |
| Large-Cap Market Indices | | | | | | | |
| S&P 500 | 7.2 | 15.5 | 9.7 | 21.9 | 14.5 | 14.5 | 15.2 |
| Russell 1000 | 7.3 | 16.1 | 10.4 | 22.5 | 14.6 | 14.3 | 15.2 |
| Russell 1000 Value | 4.1 | 7.5 | -9.3 | 0.8 | 4.5 | 7.5 | 11.0 |
| Russell 1000 Growth | 10.3 | 24.0 | 30.5 | 44.3 | 24.2 | 20.7 | 19.0 |
| Mid-Cap Market Indices | | | | | | | |
| Russell MidCap | 3.5 | 11.6 | -0.4 | 8.7 | 8.8 | 9.8 | 13.1 |
| Russell MidCap Value | 4.0 | 10.1 | -10.8 | -1.3 | 2.5 | 6.1 | 10.9 |
| Russell MidCap Growth | 2.7 | 13.5 | 15.5 | 23.6 | 17.9 | 14.9 | 16.0 |
| Small-Cap Market Indices | | | | | | | |
| Russell 2000 | 5.6 | 12.4 | -5.5 | 6.0 | 5.0 | 7.7 | 11.5 |
| Russell 2000 Value | 5.4 | 10.7 | -17.7 | -6.1 | -1.4 | 4.4 | 8.7 |
| Russell 2000 Growth | 5.9 | 13.7 | 6.2 | 17.3 | 10.9 | 10.5 | 14.1 |

Source: Morningstar Direct as of August 31, 2020

Non-U.S. Equity

Mr. Obed informed the Board that the non-US markets saw tremendous returns for the past three months. He advised the Board measured against the US markets, the US markets have outperformed the International Markets.

Strong performance continued into August

Equities appear to have troughed on March 23rd

| | Month (%) | 3-Month (%) | YTD (%) | 1 Year (%) | 3 Year (%) | 5 Year (%) | 10 Year (%) |
|-----------------------|-----------|-------------|---------|------------|------------|------------|-------------|
| MSCI ACWI | 6.1 | 15.3 | 4.8 | 16.5 | 9.0 | 10.2 | 9.9 |
| MSCI ACWI ex. U.S. | 4.3 | 13.9 | -3.1 | 8.3 | 2.6 | 5.8 | 5.3 |
| MSCI EAFE | 5.1 | 11.3 | -4.6 | 6.1 | 2.3 | 4.7 | 5.9 |
| MSCI EAFE Local | 4.1 | 4.9 | -8.5 | -0.4 | 1.8 | 4.0 | 6.9 |
| MSCI Emerging Markets | 2.2 | 19.5 | 0.5 | 14.5 | 2.8 | 8.7 | 3.8 |
| MSCI EM Local | 2.2 | 17.8 | 4.4 | 16.0 | 5.6 | 9.6 | 6.6 |
| MSCI EAFE Small-Cap | 7.5 | 12.6 | -3.5 | 10.7 | 2.6 | 6.8 | 8.6 |
| MSCI EM Small-Cap | 4.1 | 24.0 | -0.8 | 10.8 | -0.5 | 5.0 | 2.4 |
| MSCI Frontier | 8.2 | 9.3 | -9.5 | -5.4 | -1.3 | 3.1 | 3.6 |

Source: eVestment as of August 31, 2020

Performance Overview - General Employees' Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of August 31, 2020:

COA General

MTD Performance (as of 8/31/20)

Total Fund Composite: 3.7%

Total Fund Policy Benchmark: 4.1%

FYTD Performance (as of 8/31/20)

Total Fund Composite: 8.1%

Total Fund Policy Benchmark: 8.5%

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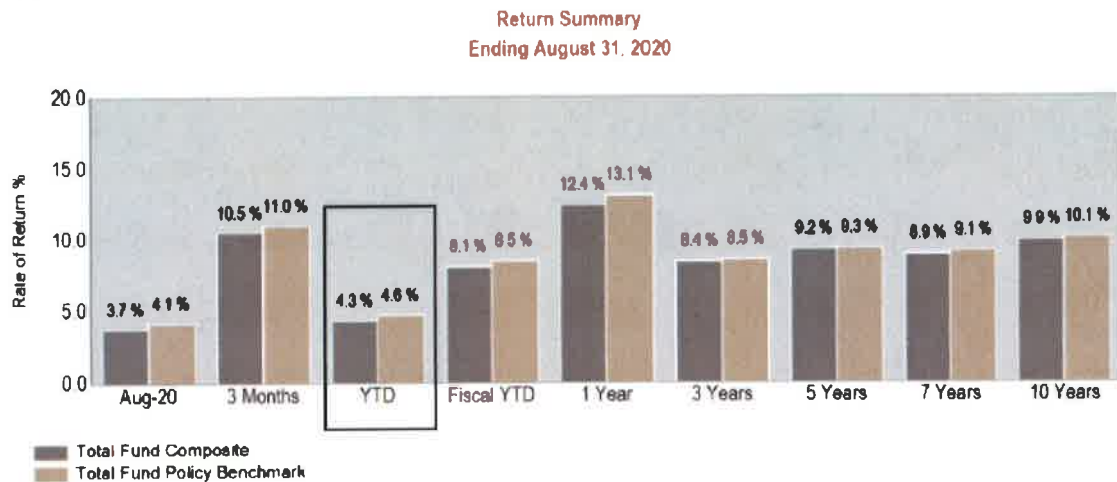
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YTD Performance (as of 8/31/20)

Total Fund Composite: 4.3%

Total Fund Policy Benchmark: 4.6%

COA General Employees' YTD Performance (Net of Fees)



- Fixed Income, International Equity, Global Equity and Real Estate composites added value to the Plan
- U.S. Equity and Emerging Markets Equity composites detracted from the benchmark

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers.

COA General Employees' Manager Contribution – YTD Performance

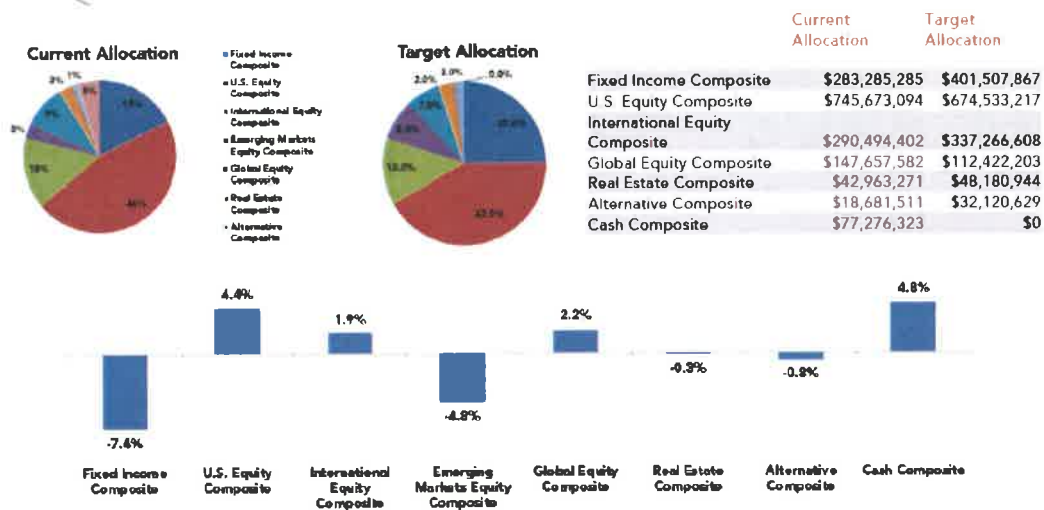
| Top Performers | Absolute Performance | Benchmark Performance | Strategy |
|--------------------------|-----------------------------|------------------------------|----------------------|
| Mesirow | +7.8% | +6.9% | Fixed Income |
| Channing Capital | -10.8% | -17.7% | U.S. Equity |
| Hardman Johnston | +11.7% | -3.1% | International Equity |
| Globalt Tactical ETF | +7.7% | +4.6% | Global Equity |
| Bottom Performers | Absolute Performance | Benchmark Performance | Strategy |
| Legato | +5.2% | +6.2% | U.S. Equity |
| Artisan Partners | -8.2% | -4.6% | International Equity |
| Earnest Partners EM | -10.9% | +0.4% | Emerging Markets |

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Chairman Sims asked Mr. Obed why is Channing Capital showing as a Top Performer when they are down 10.8%. Mr. Obed informed the Board that despite Channing Capital being down 10.8% they beat the index of negative 17.7%.

Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation:

COA General Employees' Asset Allocation vs Target Allocation



Performance Overview – Police Officers' Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of August 31, 2020:

COA Police

MTD Performance (as of 8/31/20)

Total Fund Composite: 4.0%
Total Fund Policy Benchmark: 4.1%

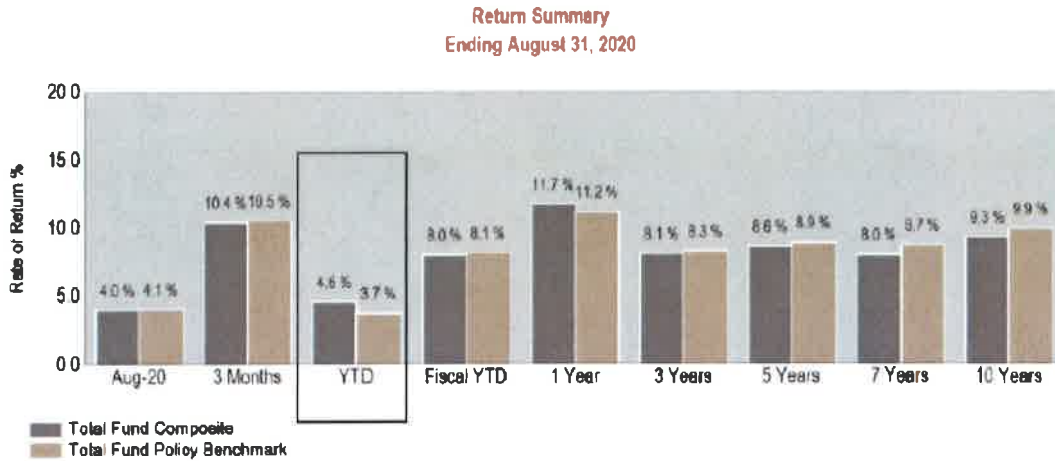
FYTD Performance (as of 8/31/20)

Total Fund Composite: 8.0%
Total Fund Policy Benchmark: 8.1%

YTD Performance (as of 8/31/20)

Total Fund Composite: 4.6%
Total Fund Policy Benchmark: 3.7%

COA Police Officers' YTD Performance (Net of Fees)



- U.S. Equity and International Equity composites added value to the Plan
- Fixed Income composite detracted from the benchmark

Mr. Obed reviewed with the Board the Top Performers and the Bottom Performers.

COA Police Officers' Manager Contribution – YTD Performance

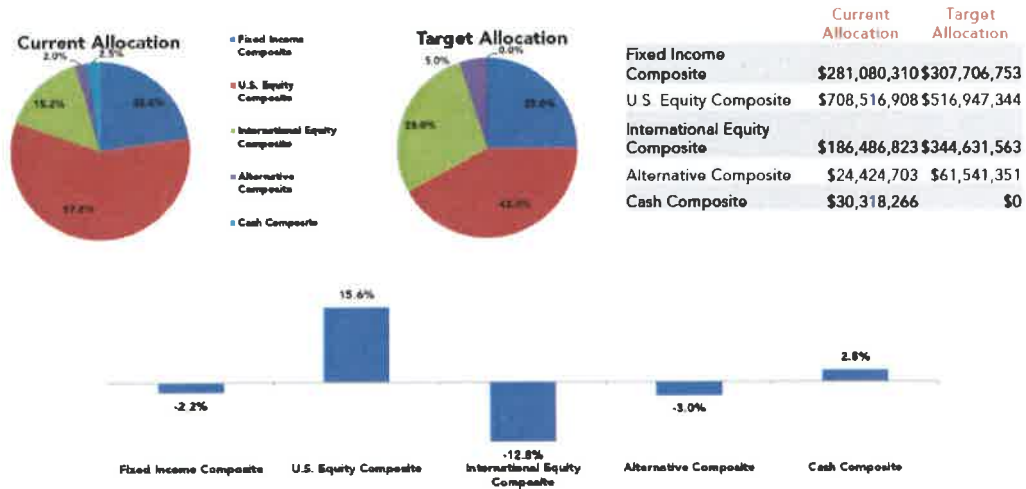
| Top Performers | Absolute Performance | Benchmark Performance | Strategy |
|------------------|----------------------|-----------------------|----------------------|
| Mesirow | +8.0% | +6.9% | Fixed Income |
| Macquarie SCC | -6.2% | -5.5% | U.S. Equity |
| LMCG Investments | +16.7% | +6.2% | U.S. Equity |
| Hardman Johnston | +11.7% | -3.1% | International Equity |

| Bottom Performers | Absolute Performance | Benchmark Performance | Strategy |
|-------------------|----------------------|-----------------------|----------------------|
| Garcia Hamilton | +5.3% | +5.9% | Fixed Income |
| Artisan Partners | -8.2% | -4.6% | International Equity |

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Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation:

COA Police Officers' Asset Allocation vs Target Allocation



Performance Overview – Fire Fighters’ Pension Plan

Mr. Obed provided the Committee with following current preliminary market values (MTD – Month to Date /FYTD – Fiscal Year to Date/YTD – Year to Date) as of August 31, 2020:

COA Fire

MTD Performance (as of 8/31/20)

Total Fund Composite: 4.1%
Total Fund Policy Benchmark: 4.1%

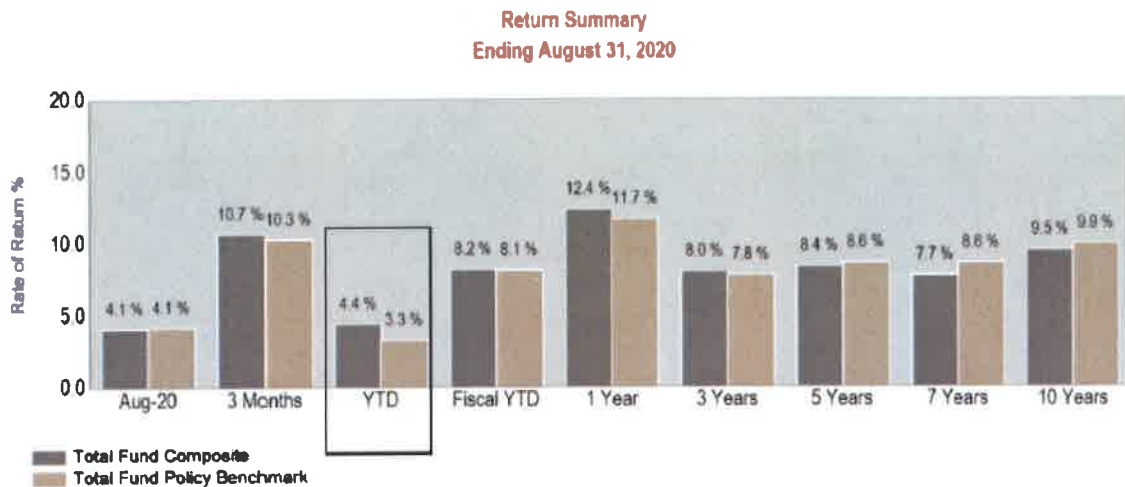
FYTD Performance (as of 8/31/20)

Total Fund Composite: 8.2%
Total Fund Policy Benchmark: 8.1%

YTD Performance (as of 8/31/20)

Total Fund Composite: 4.4%
Total Fund Policy Benchmark: 3.3%

COA Firefighters' YTD Performance (Net of Fees)



- U.S. Large-Cap, U.S. Small-Cap and International Equity composites added value to the Plan
- Fixed Income composite detracted from its benchmark
- U.S. Mid-Cap composite matched the benchmark

Mr. Obed reviewed with the Board the Top Performers for the plan.

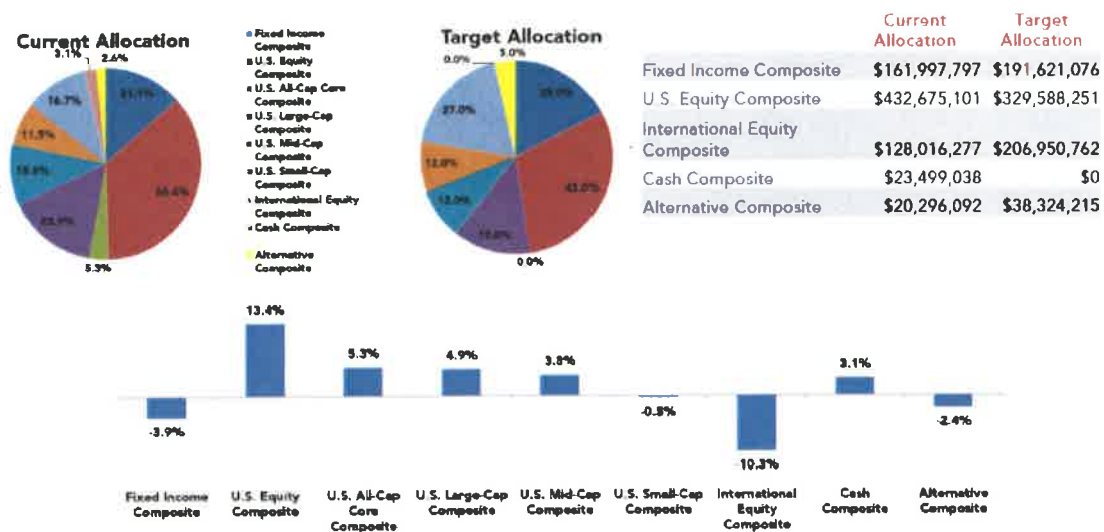
COA Firefighters' Manager Contribution – YTD Performance

| Top Performers | Absolute Performance | Benchmark Performance | Strategy |
|------------------|----------------------|-----------------------|----------------------|
| Mesirow | +7.4% | +6.9% | Fixed Income |
| LMCG Investments | +16.7% | +6.2% | U.S. Equity |
| Hardman Johnston | +11.7% | -4.6% | International Equity |

Mr. Obed reviewed with the Board the current asset allocation vs the Target allocation.

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COA Firefighters' Asset Allocation vs Target Allocation



Ms. Overstreet asked Mr. Obed if he can add a matrix that shows a two quarter year-to-date performance on the Top Performers and Bottom Performers instead of just for the month of performance. Mr. Obed informed the Board that he will review and update his presentation.

VII. NEW BUSINESS

City of Atlanta General Employees Actuarial Valuation as of July 1, 2019

Ms. Cooper reviewed in detail with the Board the City of Atlanta General Employees Pension Fund actuarial valuation as of July 1, 2019.

Ms. Cooper reviewed in details the below slides from her presentation:

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Data Summary

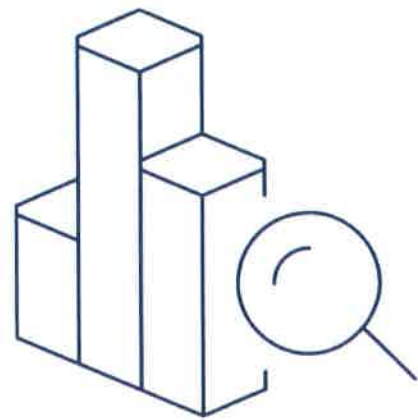
| As of July 1 | 2019 | 2018 | Change |
|--|----------|----------|------------|
| Active Members | | | |
| Number | 3,674 | 3,830 | -4.1% |
| Total Payroll | \$183.2M | \$183.4M | -0.1% |
| Average Pay | \$49,870 | \$47,889 | +4.1% |
| Average Age | 46.3 | 46.3 | +0.0 years |
| Average Service | 10.3 | 10.4 | -0.1 years |
| Annuitants (Retirees and Beneficiaries) | | | |
| Number | 3,991 | 3,920 | +1.8% |
| Average Monthly Payment | \$2,598 | \$2,525 | +2.9% |
| Inactive Participants | | | |
| Number of Vested Terminated Participants | 125 | 81 | +54.3% |
| Number of Inactive Participants due a Refund | 759 | 533 | +42.4% |

Pension Plan Highlights

- The July 1, 2019 valuation is used to determine the recommended (or actuarially determined) contribution for the fiscal year period July 1, 2020 to June 30, 2021 (FY'21). The City sets the method used to calculate the actuarially determined contribution.
 - Under this policy, the annual recommended contribution, or actuarially determined contribution (ADC) for FY'21 is \$48.8 million, or 25.84% of projected payroll.
 - The amortization period (which was reset to 30 years as of July 1, 2010) is 21 years as of July 1, 2019. Thus, we expect assets to exceed liabilities by June 30, 2041.
 - In addition, the plan receives employee contributions of 12% or 13% of base salary for employees hired prior to November 1, 2011 and 8% of base salary for employees hired on or after November 1, 2011.
- The rate of return on a market value basis was 6.1% for the year ended June 30, 2019.
 - The investment rate of return on an actuarial (“smoothed”) basis was 7.1% primarily as a result of recognizing a portion of the 2015 , 2016 and 2019 market losses, partially offset by recognizing a portion of the 2017 and 2018 market gains.
 - Since the actuarial rate of return was less than the valuation’s assumed annual rate of return of 7.25%, there was an investment loss of about \$2.0 million.
 - The smoothed actuarial value of assets is 98.5% of the market value of assets as of the valuation date. Thus, there are about \$19.8 million in deferred gains that will be recognized over the next 4 years.

Pension Plan Highlights

- There was a liability gain of \$2.0 million and an administrative expense gain which on a combined basis represents 0.1% of the actuarial accrued liability (AAL). This is not significant.
- The unfunded actuarial accrued liability (UAAL) decreased about \$16.9 million (details shown on Slide 9).
- Accordingly, the funded percentage on an actuarial value basis increased from 68.06% last year to 69.41%. On a market value basis, the funded percentage increased from 69.72% last year to 70.46% this year.



Key Results

| Plan Year | July 1, 2019 | July 1, 2018 |
|---|----------------------|----------------------|
| Unfunded Actuarial Accrued Liability: | | |
| Actuarial Accrued Liability (AAL) | \$1,893,000,000 | \$1,865,900,000 |
| Actuarial Value of Assets (AVA) | <u>1,314,000,000</u> | <u>1,270,000,000</u> |
| Unfunded Actuarial Accrued Liability (UAAL): AAL-AVA | \$579,000,000 | \$595,900,000 |
| Funded Ratios: | | |
| Funded Ratio on Actuarial Basis: AVA+AAL | 69.41% | 68.06% |
| Funded Ratio on Market Basis*: MVA+AAL | 70.46% | 69.72% |
| Fiscal Year | 2020 | 2019 |
| Recommended or Actuarially Determined Contribution (ADC) | | |
| Net normal cost, (offset by expected employee contributions) | \$5,600,000 | \$5,100,000 |
| Payment to amortize UAAL | 40,100,000 | 40,100,000 |
| Adjustment for timing** | <u>3,100,000</u> | <u>3,000,000</u> |
| Total ADC | \$48,800,000 | \$48,200,000 |
| Total ADC as % of Payroll | 25.84% | 25.52% |
| Remaining Amortization Period | 21 years | 22 years |

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Reconciliation of Unfunded Actuarial Accrued Liability

| | |
|--|----------------------|
| UAAL as of July 1, 2018 | \$595,900,000 |
| 1. Gross Normal Cost | 24,500,000 |
| • Cost of benefits accruing during the year for active employees | |
| 2. Interest on prior year UAAL and Normal Cost | 45,000,000 |
| • Based on prior year's assumption of 7.25% | |
| 3. City and employee contributions, adjusted for interest | |
| • City contributions of \$47.2 million and employee contributions of \$35.6 million | (85,900,000) |
| • Interest of \$3.1 million | |
| 4. Investment loss and liability gain | |
| • Actuarial value of assets (i.e. smoothed value) earned 7.1% compared to 7.25% assumption resulted in \$2.0M loss | (500,000) |
| • Liability gain of \$2.0M | |
| • Administrative expense gain of \$0.5M | |
| UAAL as of July 1, 2019 | \$579,000,000 |

Ms. Cooper reviewed with the Board the services that Segal Provides to the General Fund.

Pension Actuarial Services

Annual Recurring Projects

- Valuation reports for General and School Board plans (April to June)
- Two-page summaries of annual valuation results (after reports are final)
- GASB 68 Accounting Information for General and School Board plans (March to May)
- GASB 67 Disclosure Information for General and School Board plans (September to October)
- Review of annual COLA (December)

Recurring Projects

- Experience studies
 - Last set of studies for General and School Board presented in June 2017 for the 5-year period ending June 30, 2016
 - Updated studies for General, School Board, Police and Fire for the 5-year period ending June 30, 2019 in progress
- Cap analysis for General, Police, and Fire plans
 - Done at request of City of Atlanta Finance Department
 - Last analysis was done in May through July of 2017

Special Projects

- Can be requested by the Board or by the City
- In past, if requested by the City, typically paid by the City and not from the pension fund

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Ms. Cooper informed the Board that at the request of the City of Atlanta Finance Department the last Cap analysis for the General, Police and Fire plans was done in July 2017. Ms. Cooper informed the Board that a new Cap analysis should be completed but she was not aware if the plans would pay for the Cap analysis or the City of Atlanta. She advised the Board the cost would be \$10,000.00 per plan.

Mr. Hullender informed Ms. Cooper that the request and payment for the Cap analysis should come from the City of Atlanta as it is not a requirement for the different boards.

Mr. Williams informed the Board that he will review the Cap analysis and report back to the Board at the next meeting.

Chairman Sims asked Ms. Cooper what should be the plans funded percentage. Ms. Cooper informed the Board that the ultimate goal would be 100% funded but most plans are not able to reach the goal and 80% funded is considered a well-funded plan.

City of Atlanta School Board Actuarial Valuation as of July 1, 2019

Ms. Cooper reviewed in detail with the Board the City of Atlanta School Board Pension Fund actuarial valuation as of July 1, 2019.

Ms. Cooper reviewed in details the below slides from her presentation:

Data Summary

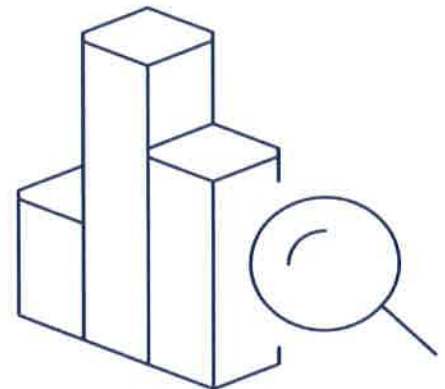
| As of July 1 | 2019 | 2018 | Change |
|--|-------------|-------------|---------------|
| Active Members | | | |
| Number | 758 | 662 | +14.5% |
| Total Pay | \$21.0M | \$18.7M | +12.1% |
| Average Pay | \$27,663 | \$28,262 | -2.1% |
| Average Age | 49.6 | 49.8 | -0.2 years |
| Average Service | 10.1 | 11.4 | -1.3 years |
| Annuitants (Retirees and Beneficiaries) | | | |
| Number | 1,866 | 1,926 | -3.1% |
| Average Monthly Payment | \$2,245 | \$2,197 | +2.2% |
| Inactive Participants | | | |
| Number of Vested Terminated Participants | 35 | 36 | -2.8% |
| Number of Inactive Participants due a refund | 164 | 129 | +27.1% |

Pension Plan Highlights

- The funding policy adopted on June 2, 2014 increases the FY'14 contribution 3% per year until the plan is fully funded.
 - Under this policy, the recommended or actuarially determined contribution (ADC) for the period July 1, 2020 to June 30, 2021 (FY'21) is \$58.4 million.
 - The effective amortization period decreased 0.9 years from 8.5 last year to 7.6 this year.
 - Thus, we expect assets to exceed liabilities in about 7.6 years during FY'28*.
 - If the School Board contributes \$58.4 million annually (instead of increasing 3% above the prior year's contribution), the effective amortization period would be about 8.5 years.
- The rate of return on a market value basis was 5.5% for the year ended June 30, 2019.
 - The investment rate of return on an actuarial ("smoothed") basis was 6.8% primarily as a result of recognizing a portion of the 2015, 2016 and 2019 market losses, partially offset by recognizing a portion of the 2017 and 2018 market gains.
 - Since the actuarial rate of return was less than the valuation's assumed annual rate of return of 7.25%, there was an investment loss of about \$0.6 million.
 - The smoothed actuarial value of assets is 99.4% of the market value of assets as of the valuation date. Thus, there are about \$1.0 million in deferred gains that will be recognized over the next 4 years.

Pension Plan Highlights

- There was a liability loss of \$2.1 million which represents 0.4% of the actuarial accrued liability (AAL). This is not significant.
- The unfunded actuarial accrued liability (UAAL) decreased about \$25.3 million (details shown on Slide 9).
- Accordingly, the funded percentage on an actuarial value basis increased from 28.89% last year to 32.48%. On a market value basis, the funded percentage increased from 29.45% last year to 32.67% this year.



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Key Results

| Plan Year | July 1, 2019 | July 1, 2018 |
|---|--------------------|--------------------|
| Unfunded Actuarial Accrued Liability: | | |
| Actuarial Accrued Liability (AAL) | \$517,300,000 | \$526,700,000 |
| Actuarial Value of Assets (AVA) | <u>168,000,000</u> | <u>152,200,000</u> |
| Unfunded Actuarial Accrued Liability (UAAL): AAL-AVA | \$349,300,000 | \$374,500,000 |
| Funded Ratios: | | |
| Funded Ratio on Actuarial Basis: AVA÷AAL | 32.48% | 28.89% |
| Funded Ratio on Market Basis*: MVA÷AAL | 32.67% | 29.45% |
| Fiscal Year Ending | 2021 | 2020 |
| Recommended or Actuarially Determined Contribution (ADC) | | |
| Net normal cost, (offset by expected employee contributions) | \$2,200,000 | \$1,900,000 |
| Payment to amortize UAAL | 52,600,000 | 51,200,000 |
| Adjustment for timing** | <u>3,600,000</u> | <u>3,600,000</u> |
| Total ADC | \$58,400,000 | \$56,700,000 |
| Effective Amortization Period | 7.6 years | 8.5 years |

Reconciliation of Unfunded Actuarial Accrued Liability

| | |
|---|----------------------|
| UAAL as of July 1, 2018 | \$374,500,000 |
| 1. Gross Normal Cost | 3,400,000 |
| • Cost of benefits accruing during the year for active employees | |
| 2. Interest on prior year UAAL and Normal Cost | 27,400,000 |
| • Based on prior year's assumption of 7.25% | |
| 3. School Board and employee contributions, adjusted for interest | (58,700,000) |
| • School Board contributions of \$55.0 million and employee contributions of \$1.7 million | |
| • Interest of \$2.0 million | |
| 4. Investment loss and liability loss | \$2,700,000 |
| • Actuarial value of assets (i.e. smoothed value) earned 6.8% compared to 7.25% assumption resulted in \$600,000 loss | |
| • Liability loss of \$2,100,000 | |
| UAAL as of July 1, 2019 | \$349,300,000 |

Based on total contributions exceeding the Normal Cost and interest on the UAAL, the UAAL was expected to decrease \$28.0 million (Items #1, #2 and #3).

Actual plan experience was close to expected.

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Chairman Sims asked the Board who has the responsibility to ensure the plan is properly funded. Mr. Hullender informed the Board it is there responsibility to ensure we are doing our Fiduciary responsibilities in reviewing investments and ensuring the plans are operating properly.

Mr. Carr informed the Board that it is ultimately the responsibility of the City Council to ensure the different funds are funded. Chairman Sims asked the Fund Attorney from a governance standpoint are we are responsible for reporting back to City Council.

Mr. Emerson informed the Board that looking at the responsibility of the Investment Board it does not state the Board reports back to City Council but in regards to the actuarial valuation the board is responsible for knowing the current status. Mr. Berry informed the Board that the Investment Board is constructed so that everyone is aware of what is happening with each fund. Mr. Hullender agreed with Mr. Berry that responsibility falls on the Board. Mr. Emerson advised the Board that he will review and report back at the next Board meeting.

City of Atlanta Fire Fighters Actuarial Valuation as of July 1, 2019

Mr. Carr reviewed in detail the City of Atlanta Fire Fighters actuarial valuation report as of July 1, 2019. Mr. Carr informed the Board that there was an update to the mortality tables for 2019. He advised the Board that the Public Safety (Pub 10) tables were used. Mr. Carr advised the Board that he will work with Ms. Cooper on providing updated assumptions for all plans. Mr. Carr reviewed in detail the below slides with the board:

Annual Investment Returns

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|--------------|---------------------------|------------------------------|-------------------|
| 2010 | 16.33% | 16.00% | 7.75% |
| 2011 | 6.52% | 6.52% | 3.80% |
| 2011/12 | 1.49% | 1.49% | 7.75% |
| 2012/13 | 14.70% | 14.70% | 7.75% |
| 2013/14 | 20.29% | 20.29% | 7.50% |
| 2014/15 | 0.41% | 0.41% | 7.50% |
| 2015/16 | -1.54% | -1.54% | 7.50% |
| 2016/17 | 13.00% | 13.00% | 7.50% |
| 2017/18 | 10.37% | 10.37% | 7.50% |
| 2018/19 | 4.55% | 4.55% | 7.25% |
| 9.5yr. Avg. | 8.84% | 8.81% | 7.57% |

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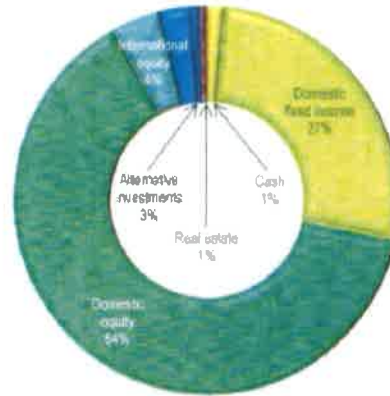
Assets

Market Value of Assets

Table II-B

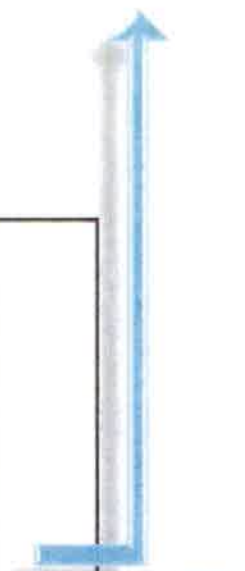
As of July 1, 2019

| | |
|----------------------------------|-----------------------------|
| Market Value of Assets | <u>\$727,344,000</u> |
| Cash | \$10,786,000 |
| Domestic fixed income | \$194,898,000 |
| International fixed income | \$631,000 |
| Domestic equity | \$462,803,000 |
| International equity | \$30,619,000 |
| Alternative investments | \$18,731,000 |
| Real estate | \$5,562,000 |
| Income receivable | \$946,000 |
| Employer contribution receivable | \$1,140,000 |
| Employee contribution receivable | \$190,000 |
| Net due from brokers | \$1,603,000 |
| Net accounts payable | (\$565,000) |



Historical Market Value of Assets

| | |
|-----------------|---------------|
| January 1, 2011 | \$481,640,221 |
| July 1, 2011 | \$509,590,000 |
| July 1, 2012 | \$505,692,000 |
| July 1, 2013 | \$561,450,000 |
| July 1, 2014 | \$658,508,000 |
| July 1, 2015 | \$644,649,000 |
| July 1, 2016 | \$612,637,000 |
| July 1, 2017 | \$669,508,000 |
| July 1, 2018 | \$718,133,000 |
| July 1, 2019 | \$727,344,000 |



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Funding Results

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

| | |
|---|---------------|
| Previous minimum required contribution rate | 31.83% |
| Increase (decrease) due to investment gains and losses | 2.67% |
| Increase (decrease) due to demographic experience | 5.74% |
| Increase (decrease) due to plan amendments | 0.00% |
| Increase (decrease) due to actuarial assumption changes | 7.18% |
| Increase (decrease) due to actuarial method changes | 0.00% |
| Current minimum required contribution rate | <u>47.42%</u> |

Source of Change in the Unfunded Liability

| | |
|---|----------------------|
| Previous unfunded liability | \$134,739,824 |
| Increase due to interest | \$9,768,637 |
| Decrease due to amortization payments | (\$8,049,375) |
| Increase (decrease) due to plan experience | \$71,081,137 |
| Increase (decrease) due to plan amendments | \$0 |
| Increase (decrease) due to actuarial assumption changes | \$44,908,468 |
| Increase (decrease) due to actuarial method changes | \$0 |
| Current unfunded liability | <u>\$252,448,691</u> |

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Funding Results

Present Value of Future Benefits

Table I-D

| | Old Assumptions <u>w/o Amendment</u> | Old Assumptions <u>w/ Amendment</u> | New Assumptions <u>w/ Amendment</u> |
|---------------------------------------|---|--|--|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$291,046,187 | \$291,046,187 | \$303,002,361 |
| Termination benefits | \$14,118,344 | \$14,118,344 | \$14,586,628 |
| Disability benefits | \$14,422,306 | \$14,422,306 | \$14,412,982 |
| Death benefits | \$3,475,687 | \$3,475,687 | \$2,741,241 |
| Refund of employee contributions | \$272,627 | \$272,627 | \$272,647 |
| Sub-total | \$323,335,151 | \$323,335,151 | \$335,015,859 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$3,249,325 | \$3,249,325 | \$3,378,974 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$3,249,325 | \$3,249,325 | \$3,378,974 |
| <u>Due a Refund of Contributions</u> | | | |
| | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | | | |
| | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$569,428,888 | \$569,428,888 | \$599,368,311 |
| Disability retirements | \$69,061,046 | \$69,061,046 | \$72,153,708 |
| Beneficiaries receiving | \$50,219,945 | \$50,219,945 | \$53,524,357 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$688,709,879 | \$688,709,879 | \$725,046,376 |
| <u>Grand Total</u> | <u>\$1,015,294,355</u> | <u>\$1,015,294,355</u> | <u>\$1,063,441,209</u> |

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Funding Results

Present Value of Accrued Benefits

Table I-E

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---------------------------------------|----------------------------------|---------------------------------|---------------------------------|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$170,206,315 | \$170,206,315 | \$176,561,470 |
| Termination benefits | \$8,016,983 | \$8,016,983 | \$8,270,072 |
| Disability benefits | \$10,015,737 | \$10,015,737 | \$10,001,013 |
| Death benefits | \$2,171,827 | \$2,171,827 | \$1,787,422 |
| Refund of employee contributions | \$142,835 | \$142,835 | \$142,839 |
| Sub-total | \$190,553,697 | \$190,553,697 | \$196,762,816 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$3,249,325 | \$3,249,325 | \$3,378,974 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$3,249,325 | \$3,249,325 | \$3,378,974 |
| <u>Due a Refund of Contributions</u> | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$569,428,888 | \$569,428,888 | \$599,368,311 |
| Disability retirements | \$69,061,046 | \$69,061,046 | \$72,153,708 |
| Beneficiaries receiving | \$50,219,945 | \$50,219,945 | \$53,524,357 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$688,709,879 | \$688,709,879 | \$725,046,376 |
| <u>Grand Total</u> | \$882,512,901 | \$882,512,901 | \$925,188,166 |
| <u>Funded Percentage</u> | 82.42% | 82.42% | 78.62% |

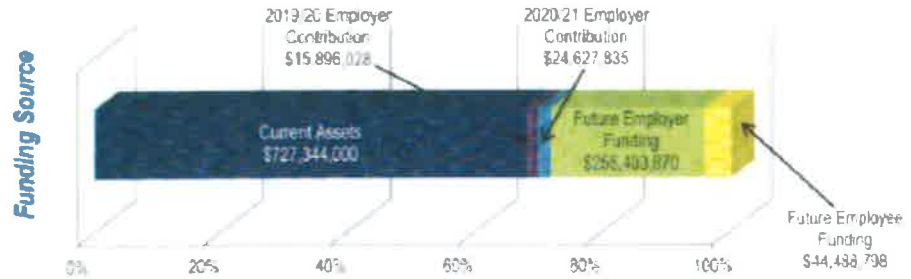
(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)

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Funding Results

Minimum Required Contribution

Table I-A



For the 2020/21 Fiscal Year

| | |
|---|----------------|
| Entry Age Normal Cost for the 2019/20 Plan Year | \$12,272,782 |
| Unfunded Liability Amortization Payment for the 2019/20 Plan Year | \$15,553,476 |
| Expense Allowance for the 2019/20 Plan Year | \$499,404 |
| Expected Employee Contribution for the 2019/20 Plan Year | (\$5,143,861) |
| Adjustment to Reflect Semi-Monthly Employer Contributions | \$855,772 |
| | <hr/> |
| | \$24,037,573 |
| Expected Employer Contribution for the 2019/20 Plan Year | (\$15,896,028) |
| Remaining Contribution Due/(Credit) for the 2019/20 Plan Year | \$8,141,545 |
| | x 0.0725 |
| One Year's Interest Charge/(Credit) on the Remaining Contribution | \$590,262 |
| Preliminary Employer Contribution for the 2020/21 Fiscal Year | \$24,627,835 |
| Expected Payroll for the 2020/21 Fiscal Year | + \$51,938,011 |

Minimum Required Contribution Rate **47.42%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the fiscal year.)

Additional Disclosures

| | |
|--|---------------|
| Present Value of Future Compensation | \$431,932,231 |
| Present Value of Future Employer Contributions | \$295,927,733 |
| Present Value of Future Employee Contributions | \$44,488,798 |

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City of Atlanta Police Offices Actuarial Valuation as of July 1, 2019

Mr. Carr reviewed in details with the Board the below slides:

Annual Investment Returns

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|----------------------|------------------------------------|---------------------------------------|---------------------------|
| 2010 | 12.93% | 17.21% | 7.75% |
| 2011 | 5.37% | 5.37% | 3.80% |
| 2011/12 | 0.51% | 0.51% | 7.75% |
| 2012/13 | 15.03% | 15.03% | 7.75% |
| 2013/14 | 20.81% | 20.81% | 7.50% |
| 2014/15 | 0.89% | 0.89% | 7.50% |
| 2015/16 | -1.03% | -1.03% | 7.50% |
| 2016/17 | 13.43% | 13.43% | 7.50% |
| 2017/18 | 9.67% | 9.67% | 7.50% |
| 2018/19 | 5.42% | 5.42% | 7.25% |
| 9.5yr. Avg. | 8.53% | 8.96% | 7.57% |

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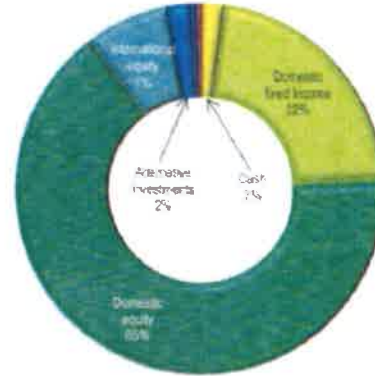
Assets

Market Value of Assets

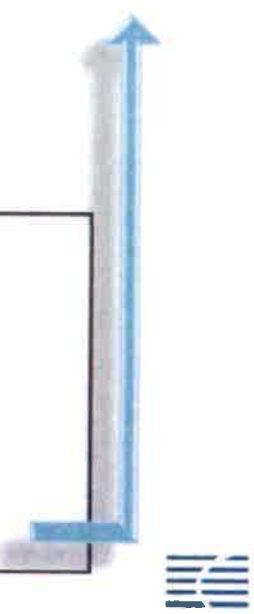
Table II-B

As of July 1, 2019

| | |
|----------------------------------|------------------------|
| Market Value of Assets | \$1,163,140,000 |
| Cash | \$23,245,000 |
| Domestic fixed income | \$255,731,000 |
| International fixed income | \$3,633,000 |
| Domestic equity | \$762,409,000 |
| International equity | \$86,152,000 |
| Alternative investments | \$24,464,000 |
| Real estate | \$5,562,000 |
| Income receivable | \$1,640,000 |
| Employer contribution receivable | \$348,000 |
| Employee contribution receivable | \$447,000 |
| Net due from brokers | \$907,000 |
| Net accounts payable | (\$1,398,000) |



| | |
|-----------------|-----------------|
| January 1, 2011 | \$697,667,506 |
| July 1, 2011 | \$735,470,000 |
| July 1, 2012 | \$733,546,000 |
| July 1, 2013 | \$828,815,000 |
| July 1, 2014 | \$987,507,000 |
| July 1, 2015 | \$983,385,000 |
| July 1, 2016 | \$950,415,000 |
| July 1, 2017 | \$1,051,671,000 |
| July 1, 2018 | \$1,130,389,000 |
| July 1, 2019 | \$1,163,140,000 |



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Funding Results

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

| | |
|---|---------------|
| Previous minimum required contribution rate | 23.37% |
| Increase (decrease) due to investment gains and losses | 1.50% |
| Increase (decrease) due to demographic experience | 5.57% |
| Increase (decrease) due to plan amendments | 0.00% |
| Increase (decrease) due to actuarial assumption changes | 5.72% |
| Increase (decrease) due to actuarial method changes | 0.00% |
| Current minimum required contribution rate | <u>36.16%</u> |

Source of Change in the Unfunded Liability

| | |
|---|----------------------|
| Previous unfunded liability | \$167,081,523 |
| Increase due to interest | \$12,113,410 |
| Decrease due to amortization payments | (\$9,981,473) |
| Increase (decrease) due to plan experience | \$99,744,014 |
| Increase (decrease) due to plan amendments | \$0 |
| Increase (decrease) due to actuarial assumption changes | \$66,387,897 |
| Increase (decrease) due to actuarial method changes | \$0 |
| Current unfunded liability | <u>\$335,345,371</u> |

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Funding Results

Present Value of Future Benefits

Table I-D

| | <u>Old Assumptions w/o Amendment</u> | <u>Old Assumptions w/ Amendment</u> | <u>New Assumptions w/ Amendment</u> |
|--|--|---|---|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$553,780,505 | \$553,780,505 | \$576,453,025 |
| Termination benefits | \$25,914,464 | \$25,914,464 | \$26,722,728 |
| Disability benefits | \$26,075,893 | \$26,075,893 | \$26,050,703 |
| Death benefits | \$6,487,487 | \$6,487,487 | \$5,160,730 |
| Refund of employee contributions | \$881,375 | \$881,375 | \$881,459 |
| Sub-total | \$613,139,724 | \$613,139,724 | \$635,268,645 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$1,541,746 | \$1,541,746 | \$1,616,162 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$1,541,746 | \$1,541,746 | \$1,616,162 |
| <i><u>Due a Refund of Contributions</u></i> | | | |
| | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | | | |
| | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$843,445,481 | \$843,445,481 | \$887,025,614 |
| Disability retirements | \$51,830,476 | \$51,830,476 | \$54,028,571 |
| Beneficiaries receiving | \$65,592,609 | \$65,592,609 | \$69,792,291 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$960,868,566 | \$960,868,566 | \$1,010,846,476 |
| <u>Grand Total</u> | \$1,575,550,036 | \$1,575,550,036 | \$1,647,731,283 |

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Funding Results

Present Value of Accrued Benefits

Table I-E

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---------------------------------------|----------------------------------|---------------------------------|---------------------------------|
| <u>Actively Employed Participants</u> | | | |
| Retirement benefits | \$325,299,002 | \$325,299,002 | \$337,546,306 |
| Termination benefits | \$15,433,121 | \$15,433,121 | \$15,875,756 |
| Disability benefits | \$17,715,573 | \$17,715,573 | \$17,684,292 |
| Death benefits | \$4,182,475 | \$4,182,475 | \$3,445,592 |
| Refund of employee contributions | \$459,407 | \$459,407 | \$459,432 |
| Sub-total | \$363,089,578 | \$363,089,578 | \$375,011,378 |
| <u>Deferred Vested Participants</u> | | | |
| Retirement benefits | \$1,541,746 | \$1,541,746 | \$1,616,162 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$1,541,746 | \$1,541,746 | \$1,616,162 |
| <u>Due a Refund of Contributions</u> | \$0 | \$0 | \$0 |
| <u>Deferred Beneficiaries</u> | \$0 | \$0 | \$0 |
| <u>Retired Participants</u> | | | |
| Service retirements | \$843,445,481 | \$843,445,481 | \$887,025,614 |
| Disability retirements | \$51,830,476 | \$51,830,476 | \$54,028,571 |
| Beneficiaries receiving | \$65,592,609 | \$65,592,609 | \$69,792,291 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$960,868,566 | \$960,868,566 | \$1,010,846,476 |
| Grand Total | \$1,325,499,890 | \$1,325,499,890 | \$1,387,474,016 |
| <u>Funded Percentage</u> | 87.75% | 87.75% | 83.83% |

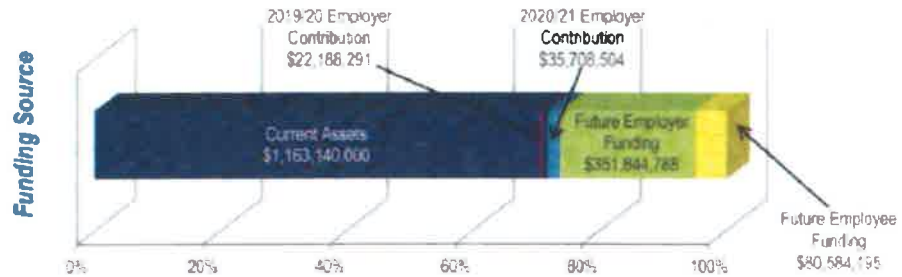
(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)

**City of Atlanta Pension Investment Board
Board Meeting Minutes
September 23, 2020**

Funding Results

Minimum Required Contribution

Table I-A



For the 2020/21 Fiscal Year

| | |
|---|----------------|
| Entry Age Normal Cost for the 2019/20 Plan Year | \$22,190,005 |
| Unfunded Liability Amortization Payment for the 2019/20 Plan Year | \$20,660,777 |
| Expense Allowance for the 2019/20 Plan Year | \$712,076 |
| Expected Employee Contribution for the 2019/20 Plan Year | (\$10,007,043) |
| Adjustment to Reflect Semi-Monthly Employer Contributions | \$1,238,735 |
| | <hr/> |
| | \$34,794,550 |
| Expected Employer Contribution for the 2019/20 Plan Year | (\$22,188,291) |
| Remaining Contribution Due/(Credit) for the 2019/20 Plan Year | \$12,606,259 |
| | <hr/> |
| | x 0.0725 |
| One Year's Interest Charge/(Credit) on the Remaining Contribution | \$913,954 |
| Preliminary Employer Contribution for the 2020/21 Fiscal Year | \$35,708,504 |
| Expected Payroll for the 2020/21 Fiscal Year | + \$98,741,219 |
| | <hr/> |

Minimum Required Contribution Rate **36.16%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the fiscal year.)

Additional Disclosures

| | |
|--|---------------|
| Present Value of Future Compensation | \$764,599,274 |
| Present Value of Future Employer Contributions | \$409,741,583 |
| Present Value of Future Employee Contributions | \$80,584,195 |

Mr. Hullender informed the Board that there are some Committees that should have been established that have not. Chairman Sims asked the Fund Attorney to review if any additional Boards are to be created.

VIII. OLD BUSINESS

The Board noted there was no old business to discuss.

**City of Atlanta Pension Investment Board
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IX. QUESTIONS AND COMMENTS FROM AUDIENCE

It was noted there were no questions or comments from the audience.

X. DATE OF NEXT MEETING

The next Board meeting will be held on October 21, 2020.

XI. ADJOURNMENT

There being no further business to be brought before the Board at this time at 12:08 p.m. Chairman Sims called for adjournment.

Respectfully Submitted,

Chairman, Frank Sims

Vice Chairman, Joshua Williams

These Minutes were adopted on _____, 2020