

MINUTES

GENERAL EMPLOYEES' RETIREMENT COMMITTEE MEETING

THURSDAY - FEBRUARY 28, 2008 - 3:00 PM

PRESENT

Councilman Jay Chernoff
Councilman John Julien - Chair
Vic Espinal
Larry Gordon
Lori Helton

ABSENT

ALSO PRESENT

Michael Landsburg – Merrill Lynch Consulting
Larry Wilson – Actuary, Gabriel Roder Smith
Keven Klopp – City Manager
Miriam Bensinger – Asst. City Attorney
Martin Lebowitz – Pension Assistant

DEPARTMENT REPRESENTATIVES

Sgt. Asim – Police
Sgt. Socorro – Police
Laura Wozniak – Customer Service
Janice Coakley – Public Services
Linda Coll – Police
Patricia Bliss – Finance Director
Darcee Siegel – Asst. City Attorney

Councilman Julien called the meeting to order at 3:00 P.M., followed by a roll call of Trustees.

I. MERRILL LYNCH – Q/E 12/31/2007

Michael Landsburg presented the performance report, indicating a total portfolio market value on 12/31/2007 of \$54,677,980 (including accrued income). This represents a net decrease in value from the previous quarter of \$276,440. The total asset allocation was reported to be 61.5% invested in equities – including the international and small/mid cap equity portfolios, 36.8% in bonds and 1.7% in cash and equivalents. The total fund earned -0.6% for the quarter. The new target index [40% S&P 500 + 10% EAFE + 10% Russell 2000 + 40% bond index] returned -.8% for the quarter.

For the quarter ended 12/31/2007: Buckhead large cap value fund return was -8.0%, with Davis Hamilton returning 0.3% for the same period. The bond portfolio, managed by PIMCO Moderate Duration Fund returned 3.6% vs. 2.9 for the Merrill Lynch 1 to 10 year Government/Corporate bond index.

Plan year results: Total return for the fund was of 8.5%. Domestic equities returned 5.7% vs. 4.1% for the S&P 500. Fixed income returned 8.1%, and the fund experienced a total return of 18.8% in international equities.

The board discussed investing more than 10% in International Investment.

II. EARLY RETIREMENT CALCULATION

Martin Lebowitz discussed an early retirement calculation for employee Natalie Ferguson that he calculated incorrectly. Natalie had requested an early retirement with a reduction of her pension. Early retirement requires that you must have 15 years of credited service. However, Natalie had a little over 13 years and her age was 60. Martin Lebowitz informed Natalie she was able to retire effective 2/1/2008, however she did not meet the 15 years of credited service. Natalie resigned her position effective 1/31/2008 and moved to the state of Georgia, based on the information that Martin Lebowitz provided to her. Larry Wilson of GRS who is our Actuary caught this error. Larry Wilson discussed the impact to the Plan on the error for early retirement calculation. There is no impact to the Plan for this error.

Motion by Councilman Chernoff, seconded by Councilman Julien, to approve as it was purposed.

Motion carried unanimously.

Larry Wilson discussed the Valuation Report and Benefit Statements. Also, the Experience Study will be completed by the next meeting.

III. PENSION ADMINISTRATOR ON CITY PAYROLL

Keven Klopp spoke to the Board regarding a proposal to have the pension administrator, Martin Lebowitz brought onto the City's payroll for the purposes of providing his salary and benefits. This was suggested to him by Lori Helton for internal control purposes only, since the pension administrator manages all aspects of his own payroll, including the tracking of his annual/sick leave usage, without any oversight. The City's existing payroll system can provide for all the necessary payroll recordkeeping, remittance of taxes, annual W-2, and tracking of leave time. Also the IRS provides a mechanism whereby the Pension Boards as his employer can designate the City as their agent for these purposes only. He would still remain an employee of the Pension Boards.

Marty explained that his pay is provided by direct deposit from Salem Trust, with the details provided to them in an authorization letter he has signed by Mayor Raymond Marin. Since the mayor is not a member of this board, it was suggested by Miriam Bensinger that when he prepares any future pay increase authorizations, that they be signed by one of the designated check cosigners from each pension board.

Lori Helton raised some concerns about an employment contract that needs to have clarification, including questions about whether he is covered under workman's compensation, or short-term disability. Keven Klopp suggested that we have a committee review his employment contract, consisting of a representative from the Police & Fire Retirement Board, a representative from the G.E. Retirement Board, and staff reps from the City Attorney's office, Finance and Human Resources departments.

Motion by Councilman Chernoff, seconded by Councilman Julien, to have a contract with Martin Lebowitz with both Police & Fire and General Boards and have it agreeable to all parties.

Motion carried unanimously.

IV. ANNUAL SALARY REVIEW-PENSION ASSISTANT

Martin Lebowitz requested a total salary increase of \$5,000 with a \$600 per month auto allowance, and presented the Board with a salary comparison that he obtained of other pension administrators. Salary increases in the past have been split 50/50 by the two pension boards. The Police & Fire board had approved to provide him a 4% increase, or \$2,800. With a matching \$2,800 from the G.E. board, he would receive an annual salary of \$75,600.

Following discussion, motion by Councilman Chernoff, seconded by Victor Espinal to approve 4% or \$2,800 salary increase on the amount of salary paid by the General Employees' Pension fund.

Roll Call Vote:	Councilman Jay Chernoff	Yes
	Councilman John Julien	Yes
	Victor Espinal	Yes
	Lori Helton	No
	Larry Gordon	Yes

Motion carried.

V. AUTHORIZATION TO BIND COVERAGE AND PAY PREMIUM

- Fiduciary Liability Insurance: \$10,000 Deductible \$7,199.28 annual premium

Motion by Councilman Chernoff, seconded by Councilman Julien, to pay Insurance Policy of \$7,199.28 for Fiduciary Liability for one year.

Motion carried unanimously.

VI. APPROVAL OF INVOICES

Motion by Councilman Chernoff, seconded by Councilman Julien, to approve payment of the following invoices:

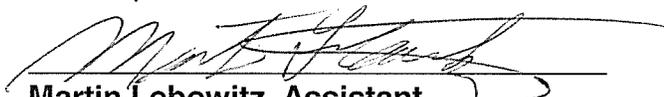
Davis Hamilton Jackson – Quarterly Management Fees	\$13,040.67
Buckhead Capital – Quarterly Management Fees	12,965.53
Salem Trust – Custodial Fees	5,584.75
Rachlin Cohen & Holtz – Auditor	5,000.00
	<u>\$36,590.95</u>

Motion carried unanimously

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Meeting was adjourned at 4:20 p.m.

The next regularly scheduled quarterly Board meeting will be held on Thursday, May 22, 2008 at 3:00 p.m.


Martin Lebowitz, Assistant