

FULTON COUNTY SCHOOLS EMPLOYEES' PENSION FUND
PENSION BOARD
MINUTES
February 7, 2024

The Fulton County Schools Employees' Pension Fund Pension Board ("Pension Board") met in regular quarterly meeting on February 7, 2024, at 2:00 pm at the Fulton County School District's North Learning Center, 450 Northridge Parkway, Sandy Springs, Georgia 30350.

All Pension Board members were present: Mr. Marvin L. Dereef, Jr., Dr. Gonzalo La Cava, Mr. John Anderson, Mr. Stuart Berry, Mr. Robert "Sam" Ham, Mr. Gregory Haitz, Ms. Lisa Sutton and Dr. Mike Looney.

Dr. Looney served as Chair of the meeting. Mr. Charles Robinson, FCS Retirement Services Director, served as secretary of the meeting.

Also present were: Ms. Cheryl Shaw and Ms. Kathy Solley, Parker Poe; Mr. John Hagan, SEI Private Trust Company; Mr. Josh Carroll, Mauldin and Jenkins; Mr. Todd Green and Ms. Jennifer Johnson, Cavanaugh Macdonald Consulting; Ms. Suzanne Hatfield, FCS Accounting Services Director; Ms. Chunika Green and Ms. Kendall Cherry, FCS Retirement Services; and Mr. Randy Stewart, FCS Communications.

Call to Order

The Chair called the meeting to order at 2:00 pm. The Pledge of Allegiance was recited by all.

Action Items

a. Approval of Agenda

The Chair noted a copy of the agenda had been provided to Pension Board members in advance of the meeting and was posted on the website.

A motion to approve the Pension Board Agenda for the February 7, 2024 meeting was made by Mr. Stuart Berry and seconded by Mr. Marvin Dereef Jr. and was unanimously approved.

b. Approval of November 15, 2023, Meeting Minutes

The Chair noted Pension Board members had been provided a copy of the minutes of the November 15, 2023 meeting in advance of this meeting. He also noted all approved minutes will be available for public view on the Retirement Services website.

A motion to approve the November 15, 2023 meeting minutes was made by Mr. John Anderson and seconded by Mr. Robert "Sam" Ham and unanimously approved.

c. Approval of Rescheduled May 16, 2024 Board Meeting

Mr. Charles Robinson stated the May Pension Board meeting originally scheduled for Wednesday, May 15, 2024 had been rescheduled to Thursday, May 16, 2024. The location and time remained the same at 2:00pm at the Fulton County School District's South Learning Center.

A motion to approve the rescheduled May Pension Board meeting was made by Mr. Robert "Sam" Ham and seconded by Ms. Lisa Sutton and unanimously approved.

Reports

a. FY23 Annual Financial Audit Review Quarter End 6/30/23

At the request of the Chair, Mr. Josh Carroll, Mauldin & Jenkins, presented the results of the annual financial audit for FY23 for which a “clean” opinion had been issued by the auditors.

Mauldin & Jenkins noted that they received full cooperation from the Pension Fund’s management and staff. No disagreements were reported on accounting or financial reporting. There were no significant issues discussed with management related to business conditions, plans or strategies.

b. FY23 Annual Actuarial Valuation Quarter End 6/30/23

At the request of the Chair, Mr. Todd Green, Cavanaugh MacDonald Consulting, presented the results of the annual actuarial valuation for the plan year ended June 30, 2023.

Market asset returns yielded 10.26% vs 6.95% expected return. Actuarial asset return yielded 5.10% vs 6.95% expected return: resulting in an unrecognized loss of \$23m. Unfunded Actuarial Accrued Liability decreased from \$43.3m to \$36.3m. Funded ratio increased from 92.1% to 93.5%. Funded ratio on market value of assets basis is 89.4%. Actuarial Determined Contribution increased \$0.4m from \$24.5m to \$24.9m.

Based on current assumptions, the plan is projected to reach fully funded status in 2027.

c. Investment Performance Review Quarter End 12/31/23

At the request of the Chair, Mr. John Hagan of SEI Private Trust Company, presented the 4th Calendar Quarter 2023 Portfolio Review of Fulton County School Employees’ Pension Fund which included a report of the Plan’s investment performance for the period ending December 31, 2023.

As of the close of the market on December 31, 2023, the assets increased to \$517.2m. The 4th quarter return was 8.9%; the 2023 fiscal year return was 15.5%, and the 2022 fiscal year return was -13.3%. Investment and return goals for the portfolio as stated in the Investment Policy Statement have been achieved.

An updated asset/liability study will be delivered at the May 16, 2024 Pension Board meeting.

d. FY24 Treasurer’s Report for 2nd Quarter End 12/31/23

At the request of the Chair, Ms. Suzanne Hatfield presented the Treasurer’s report for the Second Fiscal Quarter ended December 31, 2023. At December 31st, the Pension Fund had total assets of over \$520.6m, total liabilities of \$940k and a net position of \$519.6m. There were total pension contributions of \$13.9m and other local income composed of \$11.0m in interest/dividends on investments, loss on sale of investments of \$3.0m and change in market value of investments of \$13.8m. Total revenues through December 31st are \$41.8m. Expenditures include administrative expenses totaling \$924k and pension benefits of \$18.6m.

e. Pension Payroll Report (November, December 2023 and January 2024)

At the request of the Chair, Mr. Charles Robinson presented the Pension Payroll Report.

f. Presentation of FY25 Pension Fund Budget

At the request of the Chair, Mr. Charles Robinson presented the FY25 Pension Fund budget. Mr. Robinson addressed the various components of the budget including a projected decrease in

administrative expenses. The FY25 Pension Budget, as approved, will be incorporated into the overall budget for the District and submitted to the Board of Education for final approval.

A motion to approve the FY25 Pension Fund Budget was made by Mr. Robert “Sam” Ham and seconded by Mr. John Anderson.

Executive Session

A motion to adjourn to Executive Session to discuss investment securities and portfolios, personnel and other matters as permitted by law and to return to public session at the conclusion of the Executive Session was made by Mr. Gregory Hartz and seconded by Dr. Gonzalo La Cava and unanimously approved.

The Pension Board adjourned to Executive Session at 2:55 pm and returned to Public Session at 3:14 pm.

Adjournment

The Chair noted that no actions were taken during the Executive Session which required approval by the Board.

With no further business, the meeting was adjourned at 3:15pm.

5/17/2024

X Greta P. Tinaglia

Greta P. Tinaglia
For Marvin L. Dereef, Jr., Board Secretary
Signed by: Tinaglia

Charles Robinson for Marvin L. Dereef, Jr., Secretary to the meeting

The Pension Board meeting schedule along with links to the Pension Board meeting video will be available on the Retirement Services website. The next meeting is scheduled for May 16, 2024.

Exhibits to Minutes:

FY23 Annual Financial Audit Review Quarter End 6/30/23

FY23 Annual Actuarial Valuation Quarter End 6/30/23

December 31, 2023 Investment Performance Review

December 31, 2023 Treasurer’s Report

Pension Payroll Report (November, December 2023 & January 2024)

FY25 Pension Fund Budget