

The Board of Trustees of the Teachers Retirement System of Georgia met in its annual meeting on May 16, 2018, at 10:30 a.m. in the TRS conference room, Two Northside 75, Atlanta, Georgia. Trustees present were: Mr. J. Alvin Wilbanks, Chair, Dr. Jason L. Branch, Ms. Anne S. Cardella, Ms. Marion R. Fedrick, Mr. Greg S. Griffin, Mr. Steven N. McCoy, Ms. Deborah K. Simonds, Dr. William G. Sloan, and Mr. Christopher M. Swanson.

TRS staff members present were Dr. L. C. Evans, Mr. T. Randall Dennis, Ms. Brooke K. Lucas, Mr. R. Cory Buice, Mr. C. William Cary, Ms. K. Paige Donaldson, Ms. Lisa M. Hajj, Ms. Dina N. Jones, Ms. Sonya M. Kinley, Ms. Laura L. Lanier, Mr. J. Gregory McQueen, and Ms. Vonnie B. Stewart

Mr. Bryan Webb and Ms. Shelley Seinberg were present as legal counsel.

Visitors in attendance were Mr. Sean DeVetter, Mr. John Garrett, Mr. Harold Grindle, Mr. David Harris, Ms. Natalie Heath, Mr. Dan Powers, Mr. Don Splinter, and Ms. Cathy Turcot.

Mr. Wilbanks called the meeting to order and welcomed Dr. Jason L. Branch to the Board of Trustees. He also congratulated Ms. Fedrick and Mr. Swanson on their reappointment. Mr. Wilbanks welcomed the visitors to the meeting.

Item 1

Mr. Swanson made a motion to adopt the March 28, 2018, Board of Trustees meeting minutes and the Investment Committee meeting minutes for March 28, 2018, and April 25, 2018. Mr. McCoy seconded the motion. The motion was unanimously adopted.

Item 2

Dr. Evans, along with Ms. Lucas, presented an operational update. Work items processed, detailed statistical information, and information updates for each division were reviewed. Financial Services Division is implementing a WDesk software program to streamline financial reporting. Information Technology Division continues to be very diligent with cybersecurity and malicious network scans/attacks in millions of attempts each month. Communications Division will be launching a new TRS website by the end of the summer. Member Services is working on ways to make the disability retirement evaluation process more efficient and timely. The May 1, 2018, benefit payroll showed 98.65% of retirees utilized electronic funds transfer. There were 111,252 service retirees who received an average monthly benefit of \$3,280. The average age at payment was 70 and the average age at retirement was 59. The economic impact for retirees living in Oconee County was highlighted.

In recognition of National Teacher Appreciation Week, TRS allowed teachers to nominate fellow teachers that deserved recognition on our Facebook page. From the 185+ nominations, TRS gave two teachers a cooler chair each. The winners were from Hall County schools: Teri Brown Thompson and Jessica Gillespie Klierath.

Item 3

Mr. Dennis reported on the financial statements and expense fund as follows:

- 3.1 As of April 30, 2018, assets restricted for pensions were \$75, 804,621,213, a 6% increase from April 30, 2017.

- 3.2 Systems assets have increased \$3,463,649,420 since July 1, 2017. Total contributions received fiscal year-to-date as of April 30, 2018, were \$2,266,236,024, while benefit payments made were \$3.9 billion.
- 3.3 The expense fund remained under budget with a total cost of \$30,589,426. Year-to-date with 83.0% of the year completed, TRS expended 76.5%. Mr. McCoy made a motion to approve the expense fund. Ms. Simonds seconded the motion. The motion was unanimously adopted.

Dr. Evans requested approval for one additional position in the Employer Services Division beginning FY 2019. The position is necessary to accommodate the growth of both employers (particularly charter schools) as well as memberships over the past several years. Membership itself is up over 20,000 members since 2011. The employer and membership increases reflect growth of the System, with expectation that the growth will continue. Ms. Simonds made a motion to approve one additional position for the Employer Services Division. Mr. McCoy seconded the motion. The motion was unanimously adopted.

Item 4

Dr. Evans highlighted a few bills seen during this legislative session that may return in future sessions. The legislative report was provided for information.

Item 5

Dr. Evans provided an overview of TRS Strategic Plan. The administrative team has worked tirelessly on this effort this last year, with almost everyone who works at TRS being somehow engaged in this strategic plan. The staff will be working on these strategic objectives to improve our service and communications to our membership but also demonstrate the greater level of transparency and accountability.

Item 6

Mr. Wilbanks and Dr. Evans presented the FY 2019 maximum percentage increase allowed for the two-year salary calculation. Based on the information received from the Board of Regents and the Department of Education and in accordance with O.C.G.A. § 47-3-120(d), Dr. Evans recommended the salary increases allowable for the calculation of retirement for FY 2019 be set as follows:

Employees of the Board of Regents	2.50% (0.00% + 2.50%)
All Others	4.34% (1.84% + 2.50%)

Ms. Fedrick made a motion to adopt the recommended maximum percentage salary increase for FY 2019. Ms. Simonds seconded the motion. The motion was unanimously adopted.

Item 7

Mr. John Garrett and Ms. Cathy Turcot from Cavanaugh Macdonald Consulting presented the results of the June 30, 2017, actuarial valuation. The market value of investment return was 12.50% for FY 2017, which is 5% above the assumed rate of return. The funded ratio was 74.2%. The increase in unfunded actuarial accrued liability is primarily due to salary increases and demographic losses. There was a 2.2% increase in active membership and 5.1% increase in payroll.

The actuarial valuation indicated FY 2020 contribution rates of 6.00% for the employee rate and 21.14% for the employer rate would be sufficient to support the benefit of the System in accordance with the

Board's funding policy. Mr. Griffin made a motion to accept the June 30, 2017, actuarial valuation. Mr. Swanson seconded the motion. The motion was unanimously adopted.

Item 8

Mr. Wilbanks called for a motion to adopt the FY 2020 employer contribution rate of 21.14% and the employee contribution rate of 6.00%. Ms. Simonds made a motion to adopt the rates. Dr. Branch seconded the motion. The motion was unanimously adopted.

Item 9

Mr. Wilbanks announced the current term for the position held by Ms. Deborah K. Simonds would expire on June 30, 2018. Mr. Wilbanks presented information on the position and called for a motion. Dr. Sloan made a motion to re-elect Ms. Deborah K. Simonds to the Board of Trustees. Ms. Cardella seconded the motion. The motion was unanimously adopted.

Item 10

10.1 Ms. Simonds made a motion to re-elect Mr. J. Alvin Wilbanks as Chair. Mr. McCoy seconded the motion. The motion passed to re-elect Mr. Wilbanks was unanimously adopted.

10.2 Mr. Griffin made a motion to re-elect Mr. Thomas W. Norwood as Vice Chair. Ms. Simonds seconded the motion. The motion to re-elect Mr. Norwood was unanimously adopted.

10.3 The Trustees voted by ballot. Mr. Wilbanks announced Trustees Griffin, McCoy, Norwood, Simonds, Sloan and Wilbanks were re-elected to the Investment Committee.

Item 11

While the votes were being tallied for the Investment Committee election, Mr. Wilbanks presented the FY 2019 committee assignments for adoption. Ms. Fedrick made a motion to adopt the committee assignments as presented. Mr. Swanson seconded the motion. The motion was unanimously adopted.

Item 12

1. Mr. Griffin discussed letter from the Department of Audits and Accounts to perform a special examination of the current status of the Teachers Retirement System requested by the Senate Appropriations Committee.
2. There will be a joint Administrative Procedures Committee and Goals and Objectives Committee meeting after the July 18, 2018, Board of Trustees meeting.

There being no further business to discuss, Mr. Wilbanks adjourned the meeting at 11:50 a.m.



J. Alvin Wilbanks
Chair



L. C. Evans
Executive Director