

**MINUTES OF BOARD OF DIRECTORS OF
THE SUPERIOR COURT CLERKS RETIREMENT FUND OF GEORGIA**

October 24, 2007

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held at the Fund's office in Jonesboro, Georgia, on October 24, 2007 beginning at 10:00 a.m.

Present for the meeting were Board Members Caldwell, Jordan, Osborn, Studdard, and during portions of the meeting by conference call, Board member Glass. Also present were Bob Carter, Jeffrey Groves, Woodson Daniel, Sam Oliver, Michele Bruce, Carolyn Williams and Kathy Royal.

Chairman Joanne Caldwell presided at the meeting and welcomed all present.

On motion by Studdard, seconded by Osborn, the Board voted unanimously to approve the minutes of the previous meeting without change.

The next order of business was a consideration of the audit report prepared by the Fund's outside auditors. Michele Bruce distributed copies of the audit report and went over the report in detail, pointing out that the audit was without exception, clean, and with no unfavorable comments or suggestions for changes. She did discuss the fact that all investments, other than the pooled index fund, were triple A rated and that the market value of the pooled fund was up five million dollars from the previous year. After comments and questions, on motion by Osborn, seconded by Jordan, the Board voted unanimously to accept the audit report as presented. Ms. Bruce then discussed some auditing requirement changes that would be mandated beginning in 2008 that dealt specifically with extra documentation for internal controls.

The next item of business was a consideration of the actuary report from the Fund's Actuary, Jeffrey Groves. Groves distributed copies of his actuary report dated as of July 1, 2007. He also distributed a summary and a separate letter dealing with the Fund's ability to support increases under the COLA statute. Groves discussed the report, and specifically the assumptions that were used and what assumptions had been changed from prior reporting. In summary Groves reported that the Fund met minimum standards as required by law and that the Fund could support increases for COLA for January 1, 2008 and July 1, 2008. He did go on to discuss cash flow needs and changes in demographics resulting from the fact that more and more women are now serving as superior court clerks and more and more members are claiming deputy clerk service, all of which places an extra burden on the Fund. He pointed out the graphs that would project at what point the Fund would have to have additional sources of income if COLA adjustments were made. Board member Osborn requested that a projection be prepared by Groves that would illustrate what the impact of the full 3 percent per year in COLA would be if they were granted each year going forward in the same manner as a projection she distributed showed under the Employees Retirement System of Georgia. Groves agreed that he could readily prepare such a report.

On motion by Osborn, seconded by Studdard, the Board voted unanimously to approve the actuarial report.

Secretary-Treasurer Daniel then gave the treasurer's report that covered the period from July through September of 2007, copies of which are attached to these minutes. On motion by Studdard, seconded by Jordan, the Board voted unanimously to approve the treasurer's report.

Secretary-Treasurer Daniel then gave the investments report, copies of which are also attached to these minutes, and on motion by Jordan, seconded by Osborn, the Board voted unanimously to approve the investments reports.

Secretary-Treasurer Daniel then concluded other investment and bond reports, and on motion by Jordan, seconded by Studdard, the Board voted unanimously to approve those reports, copies of which are also attached to these minutes.

Chairmen Caldwell then stated she, Daniel and Bob Carter had been working on a project that was near and dear to her heart to plan for transition in the way investments are handled by the Fund, and she asked Bob Carter to report on what he personally is doing for the Probate Judges' Fund and the Magistrate Fund. Carter distributed a hand-out showing options available by the Board for handling its investments, including designation of a person to be in charge of handling investments in much the same way he does for other funds. There were comments from members about the desirability of taking up training for Board members on their fiduciary obligations and to better understand investment techniques and alternatives.

Legal counsel Oliver observed that the discussions were very healthy and very appropriate, but that the Board needed to understand that some of the alternatives presented, including use of an investment manager(s) would necessarily mean that the Board was willing to expand permitted investments beyond those currently authorized. As example, no investment manager would be needed if the Board wanted to leave the bulk of its equity investment in the pooled index fund.

In order to adequately and candidly discuss alternatives, Bob Carter voluntarily left the meeting during the discussion. During discussion, the consensus of the Board was that training for Board members was definitely needed and should be pursued. The Board then considered a motion by Osborn, seconded by Studdard, to approve in concept the use of Bob Carter as a chief investment officer and to authorize Joanne Caldwell and Woodson Daniel to negotiate the terms of a possible contract with him individually and to report back to the Board at an early date for final consideration and approval. In the meantime, Carter would obtain additional information about training opportunities for the Board. Carter then rejoined the meeting.

The next item of business was a consideration of the housekeeping retirement bill, draft of which had been sent electronically to Board members some weeks ago. The only comment legal counsel Oliver had received from that electronic submission was from Celeste Osborn dealing with the change that would extend the remittance on fines from violations of state law to violations of local law and regulation as well. After stating her reasons for being unable to vote to approve that particular point, on motion by Osborn, seconded by Studdard, the Board voted unanimously to approve the draft legislation after deleting the language dealing with local law and regulation. Oliver agreed to make the deletion and resubmit to the Board electronically. Assuming no further comment, the motion carried with it approval to begin the process for seeking approval at the 2008 legislative session.

Chairman Caldwell then asked Bob Carter and Woodson Daniel to comment on the administrative transfers to the Peace Officers' Fund, and both reported that the transition was working well, that full cooperation had been extended, and that at this point parallel systems were no longer ongoing. All reports, etc were now being generated exclusively through the Peace Officers' Fund per the contract.

Sheila Studdard then presented a report on the website and asked Board members for items for inclusion, including biographical data. Oliver reported that he had as directed prepared a draft of a brief history of the Fund and would submit it electronically.

Oliver then gave a report on an application received from Daniel Leccese, recently resigned Clerk of Clinch Superior Court. Oliver reported that Leccese had submitted a plea of guilty to federal crimes involving mail fraud arising out of the duties of his office, and Oliver explained certain provisions of the Georgia Code dealing with public employment related crimes. Oliver noted that commission of violation of state laws in performance of public duties would disqualify one from receiving retirement benefits. However, the law appeared to cover only state law violations, not federal. Oliver indicated his intent to seek an unofficial opinion from the Attorney General, but Osborn stated that this had already been explored through the Schrenko matter, and that Oliver's opinion was in fact correct. Oliver indicated his intent to issue an opinion, therefore, authorizing grant of retirement benefits to Leccese when all other paper work was in order.

There then followed the usual quarterly reports, all of which are attached to these minutes, and for none of which approval is required.

It is noted that the next meeting will be on Wednesday, January 23, 2008.

The meeting was then formally adjourned at 12:12 p.m.

Woodson Daniel, Secretary-Treasurer

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