

**MINUTES OF BOARD OF COMMISSIONERS OF  
THE SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

**July 30, 2008**

The regular quarterly meeting of the Superior Court Clerks Retirement Fund of Georgia Board was held in the office of the Peace Officers' Annuity and Benefit Fund in Griffin, Georgia on July 30, 2008 beginning at 10:00 a.m. The meeting was held pursuant to proper notice given and posting of same as a public meeting under the provisions of the Georgia Open Meetings Act.

Present for the meeting were Board Members Caldwell, Brannon, Williams, Glass, Studdard, and by teleconference call, Osborn and Peterson. Also present were Bob Carter, Woodson Daniel, Clerk Linda Miller, Jeffrey Groves and Sam Oliver. Present for purposes of making a presentation to the Board were representatives from Sage Advisory Services, Richard Williams and David McShane.

Chairperson Caldwell called the meeting to order and asked that Carolyn Williams give the invocation.

The first order of business was consideration of the minutes from the previous meeting, and on motion by Osborn, seconded by Williams the minutes were approved as mailed.

The meeting was then turned over to Sage Advisory Services for a presentation, written copies of which were distributed to the Board, and an additional copy is placed in the archives of the Fund. Mr. Williams gave most of the presentation, and he indicated that if he were a Board Member, he would be interested in three things:

1. How well is the Fund currently funded?
2. Where in time are the assets currently funded?
3. Where does the Fund need to make changes consistent with cash flow needs, etc.?

He proceeded to answer questions 1 and 2 by reference to the handout materials, in the course of which he indicated that a debt of gratitude was owed to Jeffrey Groves for his full cooperation in answering questions and providing actuarial data.

Mr. Williams fully responded to all Board member questions. He indicated that of course the Board would need to answer question 3 on where changes needed to be made, consistent with the Board's goals. In response to question 1, he did indicate that the Fund was in the top one percent of all public funds and was very sound indeed. He did indicate that there would be times in future in which cash flow needs would occur, and talked about the assumptions on which those projections had been made. At the conclusion of the Sage report, Mr. Williams and Mr. McShane departed the meeting.

There followed discussion about where the Board should take the matter next. A suggestion was made that the Chair immediately appoint a committee of clerks to consider goals and objectives. Chair Caldwell stated it was already her intension to appoint a committee, but only after the full Board had held a work session to get the full Board's concurrence on setting some guidelines. She further indicated that she would poll the Board with some suggested dates for availability.

In the course of the discussions, comment was made as to the desirability of having material in the Board members' hands in advance of regular meetings. Carter and Daniel both noted that the Board meeting schedule was a problem in this regard, which was one reason why the meeting had been postponed one week from its normal meeting time. The receipt of materials from Sage, Sector and State Street were all problems given the Board's current meeting schedule. The consensus was that materials needed to be current, and if that meant rescheduling regular Board meeting times, that should be done. After further consideration on motion by Studdard, seconded by Brannon, the Board voted unanimously to adopt a change to its Rules and Procedures so as to make the quarterly meeting occur on the 1<sup>st</sup> Thursday of the second month following the end of each calendar quarter. Accordingly, the next meeting would occur on November 6, 2008.

The next item on the agenda was a consideration of the actuarial report prepared by Jeffrey Groves, copies of which were distributed to the Board, and a copy of which is on permanent record in the archives of the Fund. Groves fully responded to questions asked, and at the conclusion of his report, he departed the meeting.

The next item on the agenda was the Treasurer's report, copy of which had been distributed in advance to Board members, and a copy of which is attached to these minutes. The reports for the three calendar months in the previous quarter were considered, and events out of the ordinary reflected on the reports were commented on. For instance, it was noted that the large gain on asset approaching \$10,000,000.00 was due to the move of assets from the DOIS pooled fund to Sector, thus requiring certain sales per Board instructions. The bulk of this occurred in April, although there were also adjusting matters on the May and June reports. On motion by Glass, seconded by Osborn, the Board voted unanimously to accept the Treasurer's report as submitted.

Financial Consultant Carter then reviewed with the Board the Investment Reports, copies of which are also attached to these minutes. On motion by Williams, seconded by Studdard, the Board voted unanimously to approve the Investment Reports.

The next order of business was a consideration of routine quarterly reports, in the course of which there was discussion about the Board adopting a policy mandating remittances by ACH. There was discussion about problems this might create with smaller counties, although everyone agreed that ACH handling would be optimum.

The next item of business was a consideration of a letter that Chair Caudwell had asked legal counsel to prepare dealing with the membership effects of Senate Bill 460. Drafts of the letter were reviewed, and on motion by Osborne seconded by Brannon, the Board approved the concept of sending such a letter, but directed that it be rewritten to come from the Chair and to include the other significant effects of Senate Bill 460. Oliver will make the changes and submit back to Chair Caldwell for further action.

The next item on the agenda was review of the status of member and clerk Robert Taunton. Board member Brannon had indicated that Taunton had asked for Board reconsideration. Legal counsel Oliver reviewed with the Board the controlling case law on the subject arising out of suit filed by former clerk Jo Alston against the Board seeking recognition of certain membership credits. Oliver reviewed the facts with the Board and the history of the litigation, including the fact that Alston had lost not only at the trial court level in Clayton Superior Court, but at the Court of Appeals level as well with a unanimous decision. Oliver indicated that unfortunately the Court of Appeals had gone further in its ruling than the Fund had requested, and the extension of the ruling now unfortunately applies to Mr. Taunton's situation. When the matter had been called to the Board's attention, the Board had no choice but to follow the law and the advice of legal counsel that certain portions of Mr. Taunton's membership credits had to be denied and funds for that purpose refunded. It is noted that Mr. Taunton's membership in the Fund was not affected, only the number of authorized credits.

The meeting was then adjourned on unanimous vote, with reminder that the next meeting would be November 6, 2008, and with the suggestion that the agenda be added to the website. This suggestion was at least in part a response to request from members that they be advised of items proposed to be on the agenda so that members could make informed decisions about whether to try to be present.

The meeting was properly adjourned at 1:10 p.m.

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Woodson Daniel, Secretary-Treasurer