

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

November 6, 2008

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks Retirement Fund of Georgia was held at the office of the Peace Officers' Benefit and Annuity Fund in Griffin, Georgia on November 6, 2008 beginning at 10:00 a.m. The meeting was pursuant to proper posting and notice given pursuant to the Georgia Open Meetings Act.

Present for the meeting were Board Members Caldwell, Williams, Studdard, Peterson, Brannon, Osborn and Glass. Also present were CPA Duane Schlereth, Actuary Jeffrey Groves, Financial Consultant Bob Carter, Secretary-Treasurer Woodson Daniel, and legal counsel Sam Oliver.

Chairperson Joanne Caldwell presided at the meeting, welcomed all present, and opened the meeting with an invocation.

The minutes of the meeting of July 30, 2008 and September 10, 2008 were distributed in advance of the meeting. On motion by Williams, seconded by Studdard, the minutes were unanimously approved as submitted.

The first order of business was a report on the Committees on Goals and Objectives. Chair Brian Brannon reviewed the report of the Committee, copy of which is attached to these minutes.

The first reporting item of the Committee was a recommendation from the Committee that the Fund stay at or about the current ratio of 55 percent bonds and 45 percent equities, recognizing that this is not in keeping with current investment policy. The explanation given was that efforts were under way to switch investments to put them in line with the recently adopted policy, but that concerns were expressed about the volatile conditions in the market just now. After discussion, on motion by Peterson, seconded by Studdard, the Board voted unanimously to adopt the recommendation of the Committee, giving specific acknowledgment that it is not in keeping with the current investment policy, but with the proviso that the matter be reviewed at the next meeting on February 5, 2009, and with the further proviso that Bob Carter has the authority to begin making the transition toward policy in his discretion between now and the February meeting.

The second item on report from the Committee is that the cost of living adjustment for the period beginning January 1, 2009 not be given. After further discussion, on motion by Osborn, seconded by Peterson, the Board voted unanimously to not make a COLA award for the first six months of 2009.

The next item from the Committee was a consideration of the drain on the Fund being caused by deputy clerk credits. The Committee's recommendation was that there be a phase down on credits from the current 8 year maximum to 4 years to be effective for members joining the Fund after July 1, 2010. In partial make-up for this, the Committee further recommended that a \$5,000.00 death benefit be granted. There was a great deal of discussion about alternatives service credits of any kind, including military time, and the effect on the Fund. The consensus of the group was that there be no action taken to change the provisions dealing with military service. However there was consensus on deputy clerk service credit, and on motion by Studdard, seconded by Brannon, the Board unanimously agreed to the concept that deputy clerk service credits be totally eliminated for those joining July 1, 2010 and thereafter and that a \$5,000.00 death benefit be granted. However, the motion was that the concept be presented to the November meeting of the Clerks' Group, and assuming no serious opposition to the proposal, then the legislation would be introduced toward the end of the 2009 legislative session.

The next report from the Committee had to do with an issue involving state court clerk training and whether or not failure to obtain training could result in a loss of service credits. By way of deep background, Oliver reported to the Board on the legislation bringing state court clerks into membership eligibility for the Fund. While the provisions of the Act governing the Fund require mandatory training for superior court clerks, in the absence of which service credits

are lost, there is no express provision to the same effect governing state court clerks. However, Oliver had issued an opinion in November 2004 to the effect that the Board could make training mandatory for state court clerks as a part of its rule making powers under the Act. Accordingly, Oliver reported that the Board had adopted such a rule at its meeting in January 2005, which rule still stands. Questions had been raised as to whether the rule exceeded the statutory authorization of the Board, and how that issue could best be resolved. Oliver indicated his willingness to ask for an unofficial opinion from the Attorney General on the legitimacy of the rule previously adopted, and on motion by Peterson, seconded by Osborn, the Board voted unanimously to direct Oliver to seek that opinion. Future action of the Board will be governed by the results of that opinion. The consensus of the Board is that training should be required, if it is not already legally required, and if necessary statutory authorization should be obtained.

The rest of the Committee's report dealt with matters of better communication.

The next item of business was a discussion of other possible legislative initiatives. There was a great deal of discussion about the need for increasing the fees on real estate instruments, as all information the Board had reviewed indicated that a serious need for additional funds on the revenue side would be necessary based on current projections. It was also agreed that as a political matter, no initiative to raise fees could be expected to pass unless there were an accompanying raise in membership dues. The Board wanted to test political waters to pinpoint any serious opposition to both.

The next item of business was a review of the draft audit report by the outside accountants. Copies of the draft report were distributed to the Board and reviewed in detail by Duane Schlereth. Mr. Schlereth pointed out a couple of areas where, because of volatility in the markets, updates in financial information after the end of the fiscal year were needed. However, he indicated he would be finalizing the audit report as presented, subject only to those updates, and the updates would be inserted into the final report. After further discussion, on motion by Glass, seconded by Osborn, the Board voted unanimously to approve the audit report as presented, subject only to the described updates.

The next order of business was a report on actuarial matters by Mr. Groves. He distributed a report to the Board for matters as of June 30, 2008, with a summary update inclusive as of November 6, 2008. In summary, Mr. Groves reported that the Fund is in good actuarial shape and that his projections included awarding of the COLA for the periods starting January 1, 2009. While the Fund could currently support the award of the COLA, Mr. Groves stated he understood the Board's prior determination not to award the COLA at this time because of market volatility. After further discussion and Mr. Groves' response to questions raised, on motion by Brannon, seconded by Williams, the Board unanimously approved the actuarial report.

There then followed the usual financial reports, copies of which are all attached to these minutes, and copies of which have been distributed to the Board in advance of the meeting. After explanations given, on motion by Osborn, seconded by Studdard, the Board voted unanimously to approve the financial reports.

There then followed the usual quarterly reports, including a review of the clerks who are currently delinquent on dues. In light of the legislation that became effective as of July 1, 2008, the consensus is that every effort should be made to warn delinquent members of the forfeitures that would result and that legal counsel Oliver should send a notice letter to this effect. Secretary-Treasurer Daniel also noted that he had been in multiple contact with each of the persons who were delinquent, some of whom had now been brought current. Daniel also expressed the belief that more would be brought current before year end, although a few would for various reasons be unable or unwilling to do so.

Out of concern for time and since all other reports were routine and had been distributed in advance, on motion by Glass, seconded by Studdard, the Board voted to approve all other reports as submitted.

Chairperson Caldwell then reminded the Board that her term as clerk would run out as of December 31, 2008 and that she had not offered for re-election. Since she would at that time no longer be an active clerk, she would be required to step aside as Chair, the Act requiring that the Chair be an active clerk. She opened the floor for nominations, and Board members Studdard and Williams were both nominated. Both were asked to excuse themselves during discussion and the election. As a result of the election, Sheila Studdard becomes Chair of the Board, effective as of January 1, 2009.

There being no further business to come before the Board, the meeting was properly adjourned at 12:50 p.m.

Woodson Daniel, Secretary-Treasurer

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