

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

November 3, 2011

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on November 3, 2011 beginning at 10:00 a.m. in the office of the Peace Officers' Benefit and Annuity Fund, Griffin, Georgia, pursuant to proper posting and notice.

Present for the meeting were Board Members Studdard, Glass, Brannon, Williams, and Caldwell. Also present were retired Clerk Dwight Wood, Webster County Clerk and Retirement Liaison Tina Blankenship, Fund Employee Cathy Brooks, Member Liaison Daniel, Secretary-Treasurer Carter, Ray Vuicich, Jr. a Senior Vice President of Investments for UBS, Duane Schlereth a CPA with Bates Carter, Jeffrey A. Groves the Fund's consulting actuary, and Legal Counsel Jason Voyles.

Chairperson Studdard presided at the meeting and welcomed all present.

The minutes of the meeting of the August meeting has been distributed in advance and were re-distributed for review and were unanimously approved without any changes pursuant to a motion by Brannon, seconded by Williams.

Ray Vuicich then presented the Money Mangers Statement. The performance of the fund was discussed and the Board's attention was directed to the relevant benchmarks. Mr. Vuicich noted that the third quarter was a bad quarter for investments, but that the Fund's portfolio was up roughly five percent in October. Mr. Vuicich then answered questions from the Board.

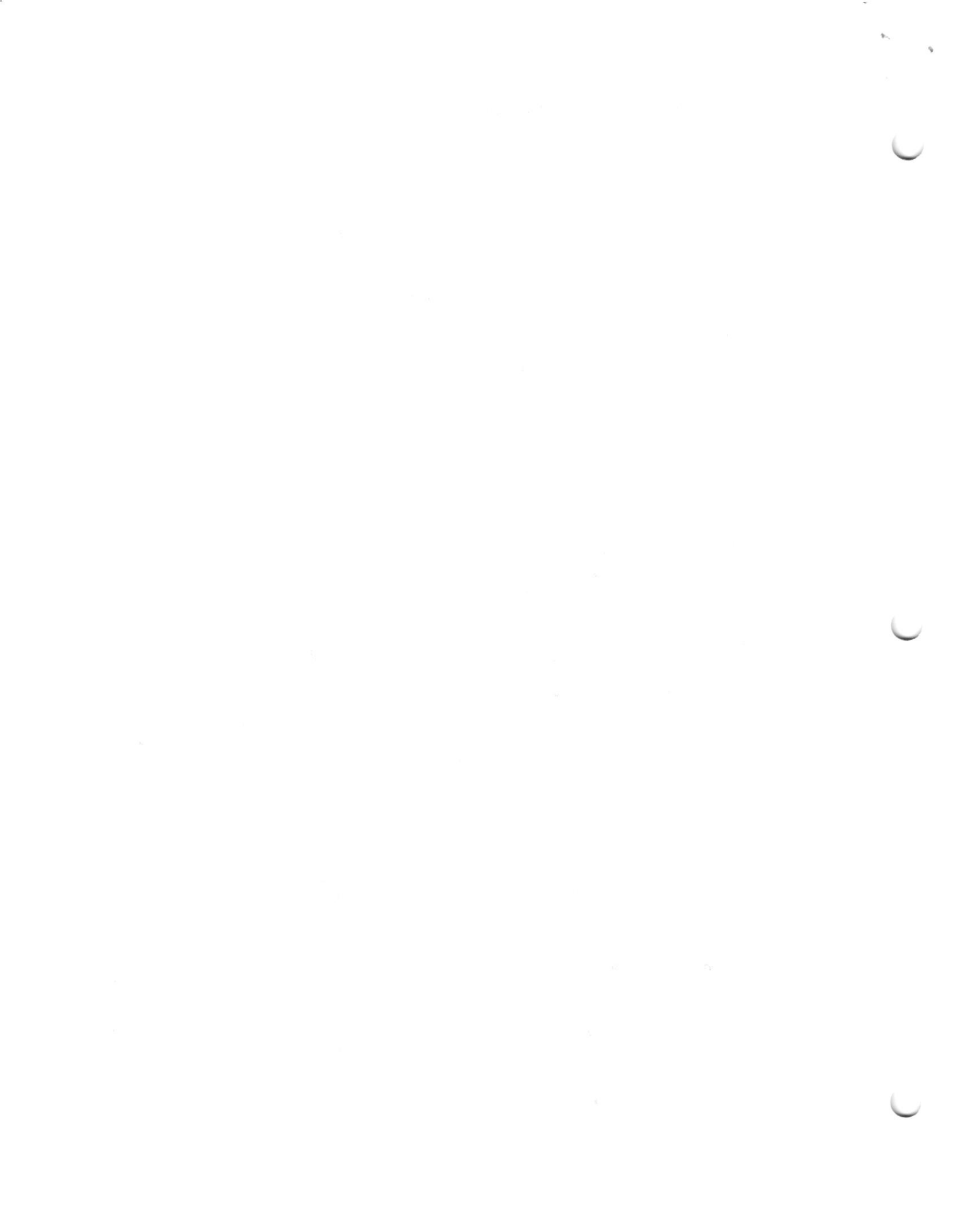
Mr. Vuicich then discussed the changes to the Investment Policy Statement. The Investment Policy Statement had been amended to delete the sections regarding pooled funds and Authorized Financial Institutions, Depositories, and Broker/Dealers, as these sections are no longer relevant. The revised Investment Policy Statement was adopted by the Board unanimously pursuant to a motion by Williams, seconded by Brannon.

Mr. Vuicich then discussed the further reallocation of assets to the assets being managed by Wells Fargo and Atlanta Capital. The Board had voted previously to make a gradual reallocation of the assets. In line with this earlier vote, the Board unanimously agreed to transfer \$2,000,000 in assets from SAGE to Wells Fargo and \$1,000,000 in assets from SAGE to Atlanta Capital pursuant to a motion by Caldwell, seconded by Brannon. These transfers will be made at the end of the fourth quarter of 2011.

Bob Carter then presented Financial Reports, copies of which are attached to the minutes, directed attention of the Board to pertinent benchmarks, and then answered questions from the Board. Mr. Carter noted that fees were still down in the areas of real estate recordings, bond interest, civil fees, and fines and forfeitures, but that this was not an area of major concern at the moment. On a motion by Caldwell, seconded by Williams, the Financial Reports as submitted were unanimously approved.

The Membership Reports were then given by Woodson Daniel. Mr. Daniel noted that there were two new members who joined either at the end of the third quarter or beginning of the fourth quarter. Mr. Daniel stated that there were no clerks retiring during the third quarter and one member who died during the third quarter. Mr. Daniel stated that very close to 100% of the dues payments are current and that he expects a few additional clerks to join the Fund. On a motion by Brannon, seconded by Williams, the board voted unanimously to approve the Membership Report as presented.

Duane Schlereth then presented the Audit Report. He stated that the report issues a clean opinion and that his report showed that the Fund had over \$82,000,000 in assets and had a net increase of over \$8,900,000. On a motion by Caldwell, seconded by Glass, the board voted unanimously to approve the Audit Report as presented.



Next, Jeffrey Groves presented the Actuarial Report. Mr. Groves stated that the actuarial value of the Fund is about \$82,000,000 and that his report used the aggregate actuarial cost method. Mr. Groves noted that his report made a slight adjustment to the mortality rates and that this makes the report a very conservative one. Mr. Groves noted that his report is based on the benefit unit value as of July 1, 2011, as opposed to the value as of June 30, 2011. Mr. Groves stated that his report found that if House Bill 424 (giving a death benefit to retired clerks in addition to active clerks) passes, this will add \$70,000 to the Fund's costs. Mr. Groves stated that his report assumed an actuarial rate of 5.5% and that the Fund was sound and in a position to support a COLA increase of 3% during 2012. On a motion by Caldwell, seconded by Williams, the Actuarial Report was unanimously accepted as presented.

On a motion by Williams, seconded by Brannon, the Board voted unanimously to approve a 1.5% cost of living benefit adjustment effective as of January 1, 2012.

On a motion by Brannon, seconded by Williams, the Board voted unanimously to approve an additional 1.5% cost of living benefit adjustment effective as of July 1, 2012.

It was noted that the 1.5% cost of living benefit adjustment effective as of July 1, 2011 had been discussed and passed at a prior meeting, but that this was not reflected in the minutes. Therefore, on a motion by Brannon, seconded by Williams, the Board voted unanimously to approve the 1.5% cost of living benefit adjustment effective as of July 1, 2011.

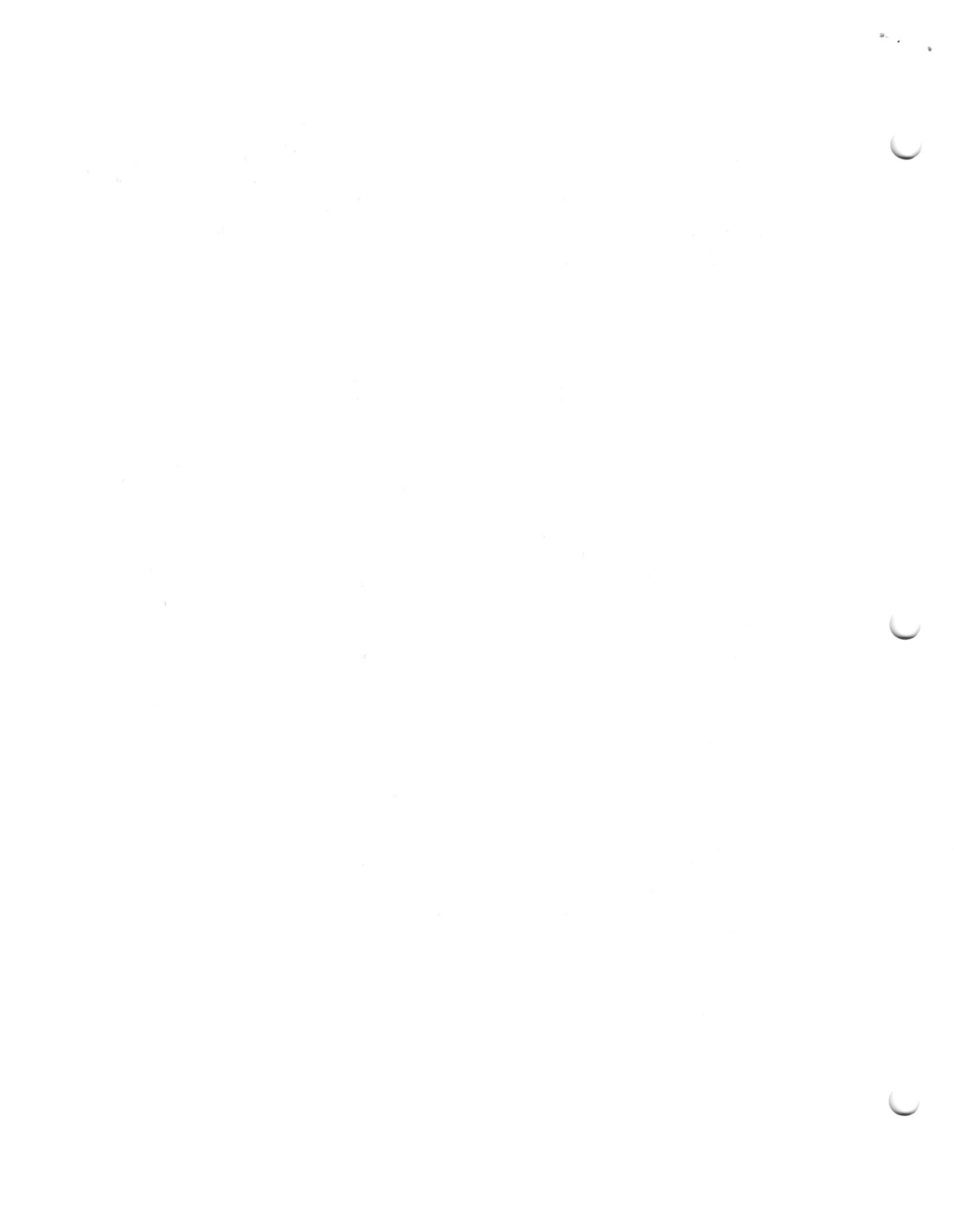
Bob Carter then discussed the buy-back cost of Chief Deputy Clerk service time and presented a table that had been prepared by Jeffrey Groves. This table would allow the Board to calculate the amount due from a clerk seeking to purchase Chief Deputy Clerk service time. It was noted that the Fund still lacks some Chief Deputy Clerk affidavits, but that the Fund has most of the clerk training certificates. On a motion by Caldwell, seconded by Brannon, the use of the table was approved through December 31, 2012. After that, the table will be reviewed to determine the effect of any benefit increases on the cost of purchasing Chief Deputy Clerk service time.

Bob Carter then reported that Becky McCord had been convicted and that O.C.G.A. § 47-1-22 provides for a penalty that Ms. McCord forfeit benefits in an amount equal to three times the economic impact of the crime for which she was convicted. Legal Counsel Voyles stated that he would research the method for determining the economic impact of the crime.

Bob Carter then reported on Norman Stone. Mr. Stone died on September 9, 2011. Mr. Stone had become a member in 1967, but had obtained a refund of his dues in 1975. He had been given an opportunity to repay the refund, but there was no evidence he had done so. Mr. Stone rejoined the Fund in 1982. Therefore, spousal benefits will be calculated for Mr. Stone's service from 1982 until his retirement in 2008.

Carolyn Williams then discussed allowing retired clerks who had elected spousal benefits and whose spouse dies to obtain a larger benefit check amount due to the fact that they would no longer be needing spousal benefits. The Board discussed the idea of having a Board retreat in early 2012. Bob Carter stated that he would investigate the possibility of putting together the retreat in order to discuss all of the provisions of O.C.G.A. Title 47, Chapter 14.

Reminder was made that the next meeting of the Board will be on February 2, 2012 at 10:00 a.m.



There being no further business to come before the Board, the meeting was properly adjourned at 12:03 p.m. on a motion by Brannon, seconded by Glass. The Board then went into executive session.

Robert Carter, Secretary-Treasurer

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