

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

November 5, 2009

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on November 5, 2009 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, Caldwell, Brannon, Williams, and Pharris. Board Member Peterson was present via teleconference. Also present were President of the Clerk's Association Chess Fountain, Clerk Linda Miller, Fund Actuary Jeffrey Groves, Fund Auditor Duane Schlereth, Member Liaison Daniel, Secretary-Treasurer Carter, and Legal Counsel Jason Voyles who was appearing in the place of Legal Counsel Samuel Oliver.

Chairperson Studdard welcomed all present and recognized new board member Pamela Pharris. Bob Carter introduced Pamela Pharris to the board and she was welcomed. A copy of the Executive Order appointing her is attached to these minutes.

The minutes of the meeting of the August meeting were unanimously approved without any changes pursuant to a motion by Caldwell, seconded by Brannon.

Bob Carter then presented Financial Reports, copies of which are attached to the minutes, directed attention of the Board to pertinent bench marks, and then answered questions. It was noted that there was an increase in expenses due to more clerks retiring, but there should be an increase in income once all counties are in compliance with the additional fees prescribed by the law enacted this year. On motion by Caldwell, seconded by Williams, the Financial Reports as submitted were unanimously approved.

Bob Carter then presented the Investment Reports, copies of which were also attached to the minutes. The Investment Reports were reviewed, significant bench marks highlighted, questions answered and comments made by Board members. On motion by Caldwell, seconded by Williams, the Board voted unanimously to approve the Investment Reports as given.

The Membership Reports were then given by Woodson Daniel. Woodson Daniel reported that one new clerk joined the Fund and no clerks retired during the quarter. He further reported that there would be 3 clerks who would be starting to draw benefits before the end of the year. On motion by Brannon, seconded by Glass, the Board voted unanimously to approve the Membership Reports.

Duane Schlereth of Bates, Carter & Co. then presented the Audit Report. He stated that he was issuing a clean opinion and that there were no internal controls issues.

He noted that the Fund value was down, but that this was due mainly to the economy as the report is for the year end June 30, 2009 and, therefore, does not take into account the recent market upswing. He then answered questions and heard comments from Board members. On a motion by Caldwell, seconded by Pharris, the Board voted unanimously to accept the Audit Report as presented.

Jeffrey Groves then presented the Actuarial Report. He stated that his report did not make any accrual adjustments and, therefore, the numbers were slightly different than those in the Audit Report, but that the difference was so small that it did not give him any concern. He further reported that past income was not a good predictor for the coming year's income due to the change in the fees charged. He also stated that the Actuarial Report used actual market value not a smoothed value and that he would examine the possibility of altering the smoothed value calculation.

Next, Jeffrey Groves reported on Senate Bill 460, which would allow spousal benefits for spouses of Fund members who die prior to reaching the age of 55. He calculated that the annual cost of the Board approving this would be \$40,000. The Board made comments and asked questions, but no action was taken. A copy of Mr. Groves's letter to the Board regarding Senate Bill 460 is attached to these minutes.

Jeffrey Groves then reported on House Bill 486, which would provide a death benefit of \$5,000 to a clerk who dies while in active service and would provide that for clerks joining the Fund on or after July 1, 2010, no credit would be given for deputy clerk service. He estimated that the death benefit provision would cost the Fund \$3,600 per year. He estimated that the savings to the Fund from the elimination of credit for service as a deputy clerk would be nothing at first, then would grow to \$50,000 per year by 2013-2014, then would grow to \$650,000 per year in 20 to 25 years, and ultimately could reach \$1.45 million per year. All of these figures were calculated using the present unit value. Copies of the Actuarial Review and the Actuarial Valuation are attached to these minutes. Comments were made by the Board and questions asked and answered.

Jeffrey Groves was then asked to calculate a number for the 2010 benefit increase and he agreed to do so and provide that report to the Board.

On a motion by Caldwell, seconded by Williams, the Actuarial Report was unanimously approved as presented.

Cathy Brooks then joined the meeting to update the Board on the Fund's website. She stated that the website is located at www.sccrf.com and that the site is up and running. Forms should be on the site by the year's end. Eventually, the site will be password protected and will allow members of the Fund to check the Fund status. Also, the site will have a benefit calculator which will allow clerks to calculate the benefits to which they are entitled. Cathy Brooks was thanked for her work on the project. She answered questions by the Board and then was excused from the meeting.

An in-depth discussion regarding House Bill 486 ensued. It was reported by Chairperson Studdard that if credit for deputy clerk service were not eliminated then the Fund would have to encroach on the corpus in order to pay benefits as early as 2015. She stated that if House Bill 486 were amended it would have to start the two year process over and would not go into effect until after the 2012 elections.

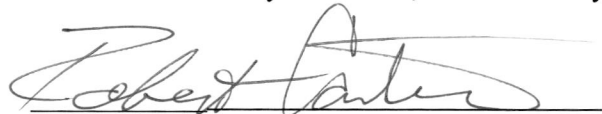
Chess Fountain then addressed the Board and stated that he had heard from a number of clerks who were opposed to House Bill 486. He requested that the Clerks' Association be allowed to hold a ballot vote on the approval of House Bill 486 and that the Board hold off on any action regarding House Bill 486 until after such vote has been taken.

Linda Miller then addressed the Board and spoke in favor of House Bill 486.

A discussion regarding House Bill 486 was had. On a motion by Caldwell, seconded by Peterson, the Board unanimously voted to reaffirm its decision to pursue House Bill 486 as being in the best interest of the Fund.

Reminder was made that the next meeting of the Board will be on February 4, 2010 in Griffin. The April, 2010 meeting is to be held in connection with the Spring meeting of the Clerks' Association and Chess Fountain stated that he would work with the Board in scheduling a time for that meeting that would be most convenient for the clerks to attend.

There being no further business to come before the Board, the meeting was properly adjourned at 11:35 a.m. pursuant to a motion by Brannon, seconded by Caldwell.



Robert Carter, Secretary-Treasurer

