

June 13, 2024

MEMORANDUM

TO: Members of the Board of Trustees
Employees' Retirement System of Georgia

FROM: James A. Potvin, Executive Director

SUBJECT: Bi-Monthly Meeting of the Board of Trustees
Monthly Meeting - Investment Committee
Thursday, June 20, 2024

The bi-monthly meeting of the Board of Trustees of the Employees' Retirement System will be held on **Thursday, June 20, 2024 at 10:30 A.M.** Trustees, interested parties, and members of the public may attend in person or remotely.

To access the meeting by conference call, dial (602) 333-0032 or toll free (888) 270-9936, using conference/access code 421787 and password/security code 567514. Video teleconference instructions will be sent separately to the Board and other internal staff.

The meeting will be held in the Employees' Retirement System Board Room, First Floor, Two Northside 75, Atlanta, Georgia. Parking spaces at the front of the building will be reserved for Board members.

Please see the attached agenda package.

The **Investment Committee** meeting will precede the Board meeting at **9:00 A.M.** in the Investment Conference Room, Suite 500, Two Northside 75, Atlanta, Georgia. Teleconference instructions will be sent to members of the Investment Committee upon request. The agenda for the Investment Committee meeting will be mailed separately by the Division of Investment Services.

c:

Bryan Webb
Katie Stoff
Ryan Kolb
Christine Hayes
Rick Dunn
Jessica Johnson
Alison Kaye
Chase Jones
Christine Murdock
Sara Arroyo

Patrick Love
Austin Trott
Brent Churchwell
Lindsay McVicar
Elizabeth Holcomb
Alicia Bohannon
Kelsey Finn
Dan Regenstein
Autumn Cole
Ed Koebel

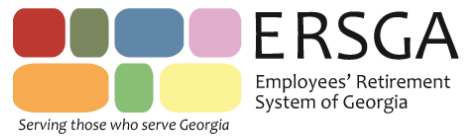
Ben Mobley
Darby Carraway
Bill Cary
Tom Horkan
Mike Majure
Laura Lanier
Mike Jackson
Buster Evans

AGENDA
BI-MONTHLY MEETING OF BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM
June 20, 2024
10:30 A.M.

1. Call to order by Chair.
2. Approve Minutes of bi-monthly meeting of April 18, 2024. [Agenda Package "A"]
3. Ratify action of Investment Committee at monthly meetings of April 18, 2024 and May 16, 2024. [Agenda Package "B"]
4. Review the Secretary's Report. [Agenda Package "C"]
5. Election of Trustee to a four-year term beginning July 1, 2024 to fill the position currently held by Homer Bryson.
6. Election of Officers [Chair and Vice-Chair] for FY25.
7. Other Business.
8. Adjournment.

Secretary's Report

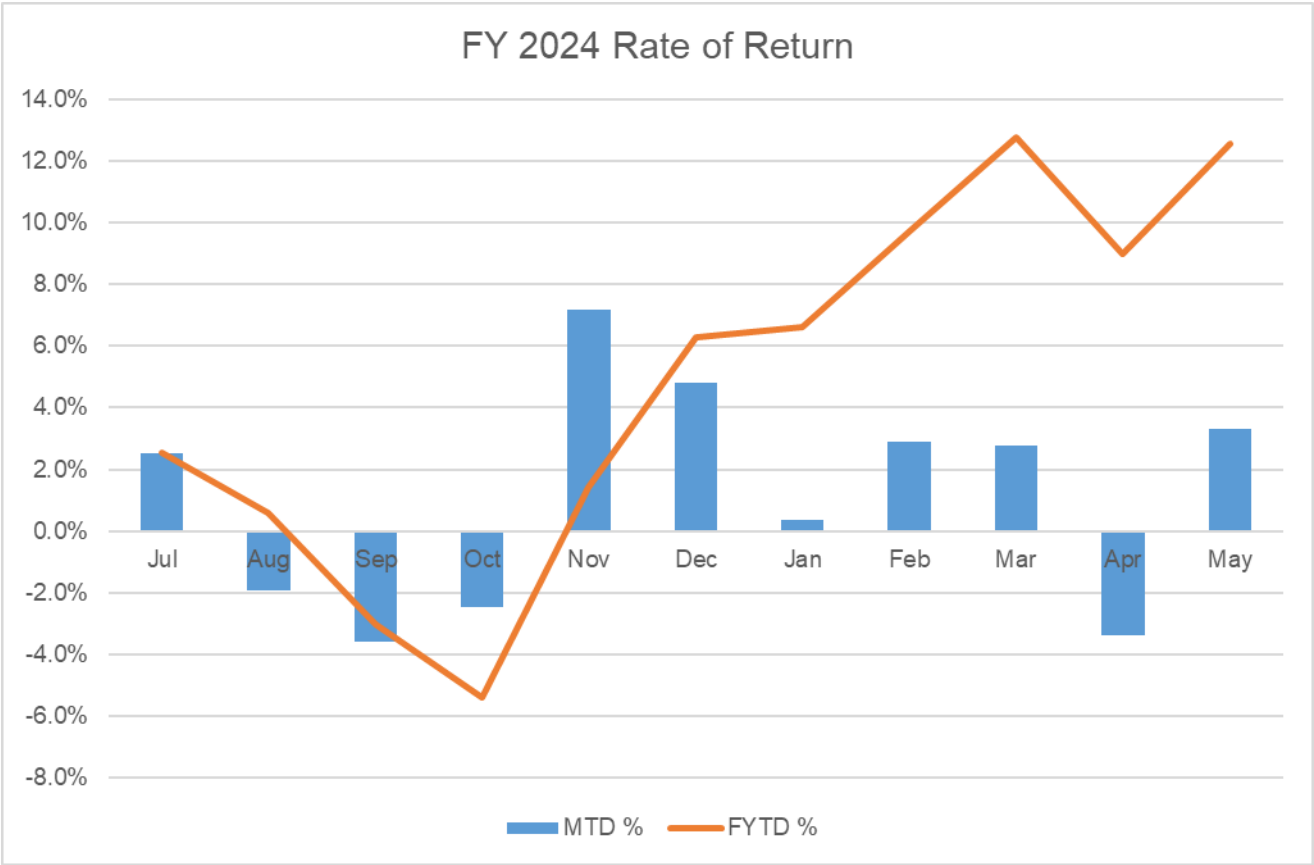
June 20, 2024



Fund Market Values

	6/30/2023	3/31/2024	4/30/2024	5/31/2024
<u>Plan</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>	<u>Market Value</u>
ERS	\$14,697,305,449	\$16,586,020,523	\$15,978,570,540	\$16,458,457,365
JRS	546,776,487	595,519,397	573,018,957	589,225,493
LRS	38,275,676	41,614,966	39,997,930	41,220,590
PSERS	1,104,357,570	1,212,883,459	1,168,197,586	1,202,791,668
GMPF	39,842,197	45,812,862	44,245,377	45,815,448
SEAD-Active	394,175,447	441,330,719	426,037,423	439,850,991
SEAD-OPEB	1,431,237,389	1,575,958,820	1,516,918,752	1,561,110,224
SBF	212,711,681	239,897,422	231,689,341	239,370,025
Total	\$18,464,681,897	\$20,739,038,169	\$19,978,675,905	\$20,577,841,805
PSR 401(k)	\$1,874,492,298	\$ 2,243,609,170	\$2,174,473,732	\$2,268,914,869
PSR 457	706,491,449	\$ 778,620,371	751,037,951	774,558,780
GDCP	\$142,046,380	\$149,751,582	\$147,310,980	\$148,372,301

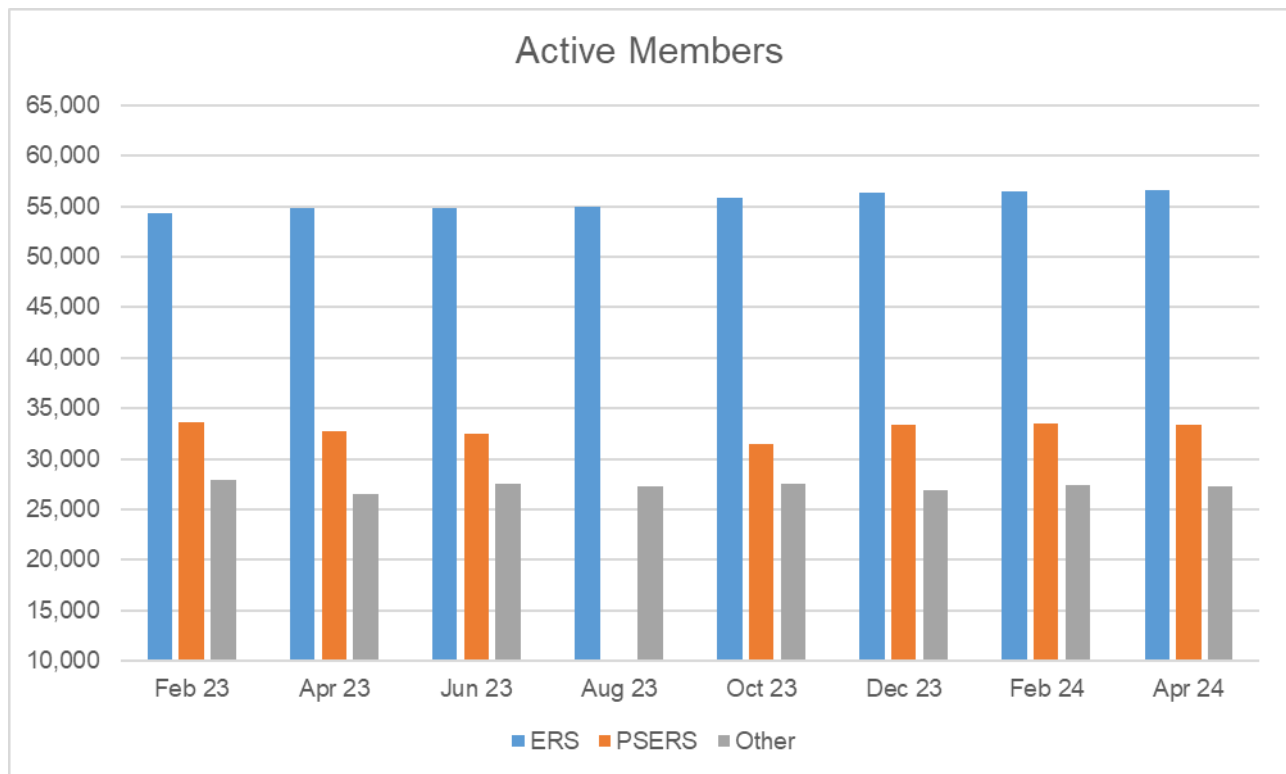
Investment Rates of Return



Contributions Received Through 4/30/2024

Plan	EE Contributions	ER Contributions	Total
ERS	\$ 31,834,631	\$ 639,087,695	\$ 670,922,326
JRS	3,900,669	3,444,254	7,344,924
LRS	336,788	0	336,788
PSERS	1,883,646	10,785,668	12,669,314
GDCP	12,761,117	0	12,761,117
GMPF	0	932,052	932,052
Total	\$ 50,716,852	\$ 654,249,669	\$ 704,966,521

Active Contributing Members



Retiree Benefit Payments through 5/31/2024

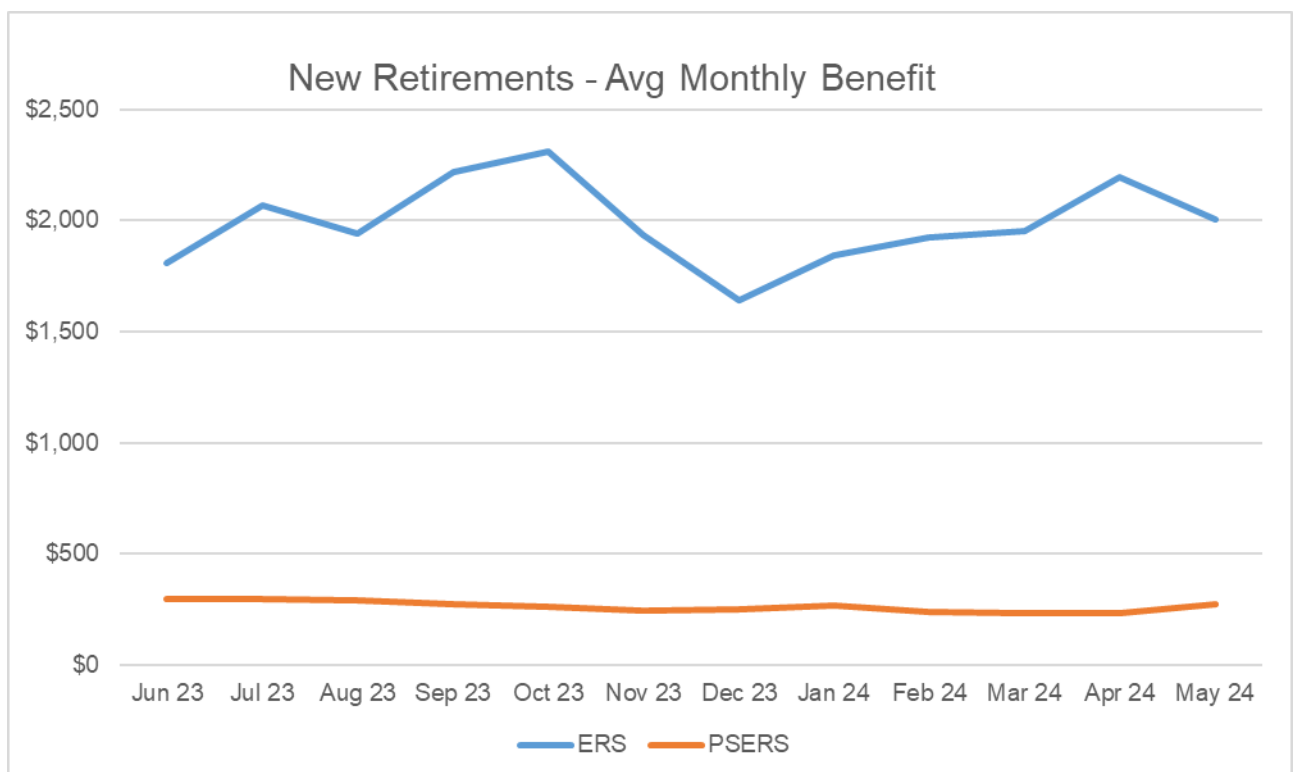
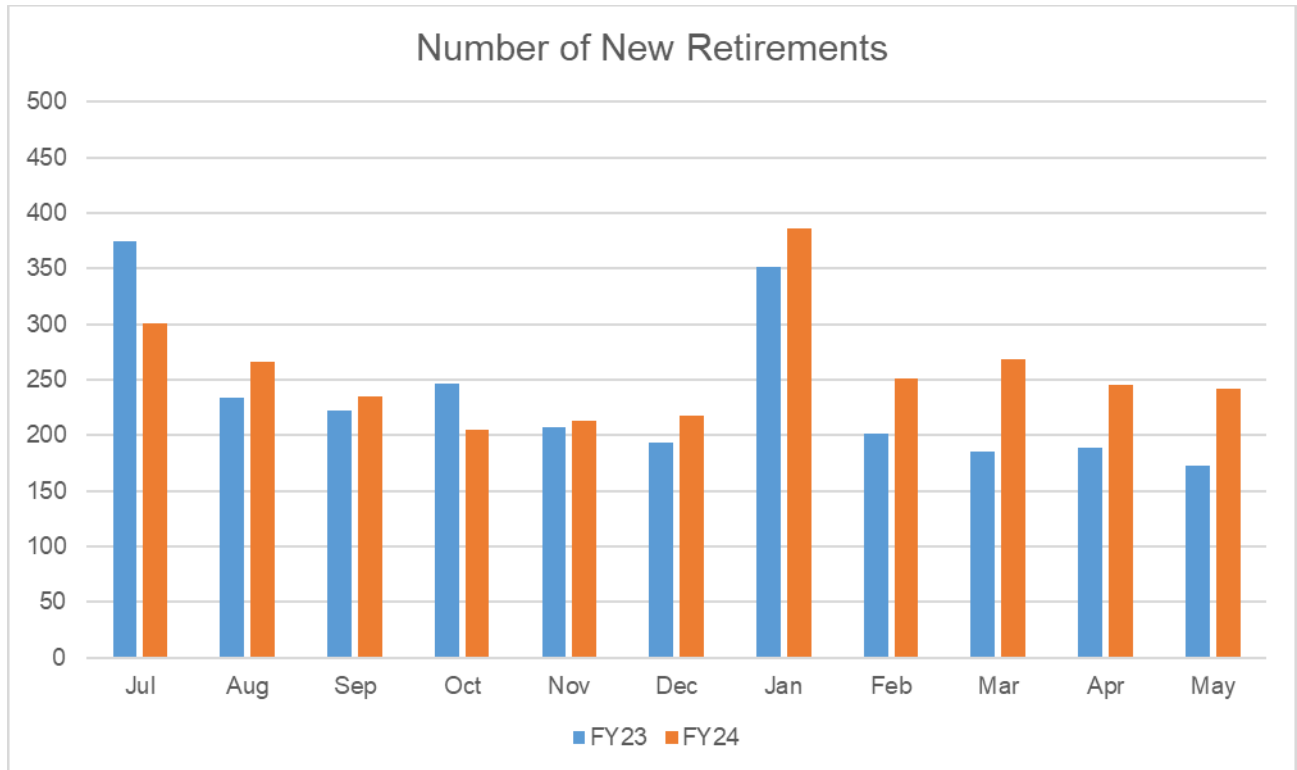
ERS distributes monthly benefits to **78,081** retirees and beneficiaries. Below represents the monthly retiree payroll for all plans as of **May 31, 2024**. (Includes PLOPs, month of death checks, and retro payments.)

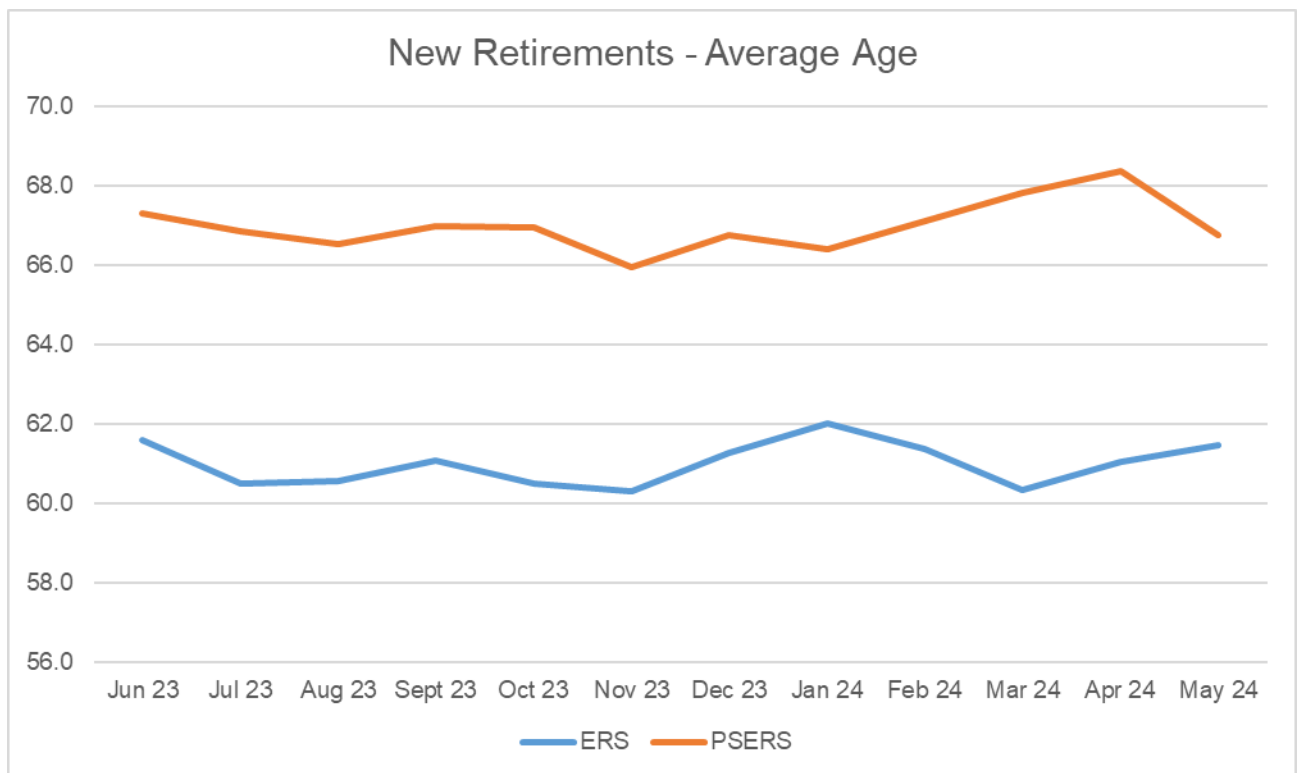
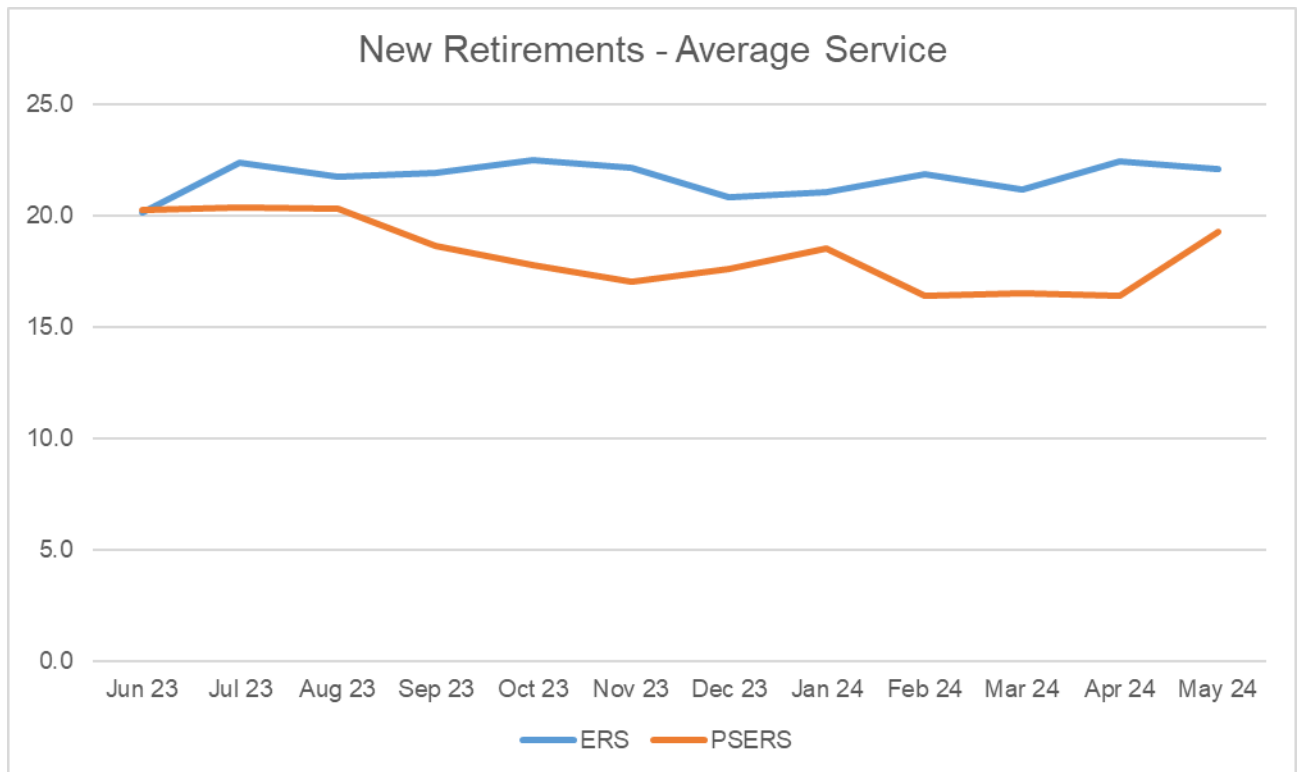
Plan	FY2023	FYTD2024	Retirees	Retirees	Total Retirees
			Apr 2024	May 2024	May 31, 2024
ERS	\$1,463,723,695	\$1,352,628,181	144	163	55,250
LRS	1,823,089	1,750,409	1	1	291
PSERS	70,879,819	68,605,179	93	76	20,435
JRS	34,983,538	33,281,124	1	0	481
GMPF	1,618,545	1,543,710	6	2	1,611
SCJRF	234,951	157,683	0	0	3
DARF	22,731	20,837	0	0	2
GDCP	9,855	9,906	0	0	0
Total	\$1,573,296,224	\$1,457,997,028	245	242	78,073

Supplemental Guaranteed Lifetime Income (SGLI)

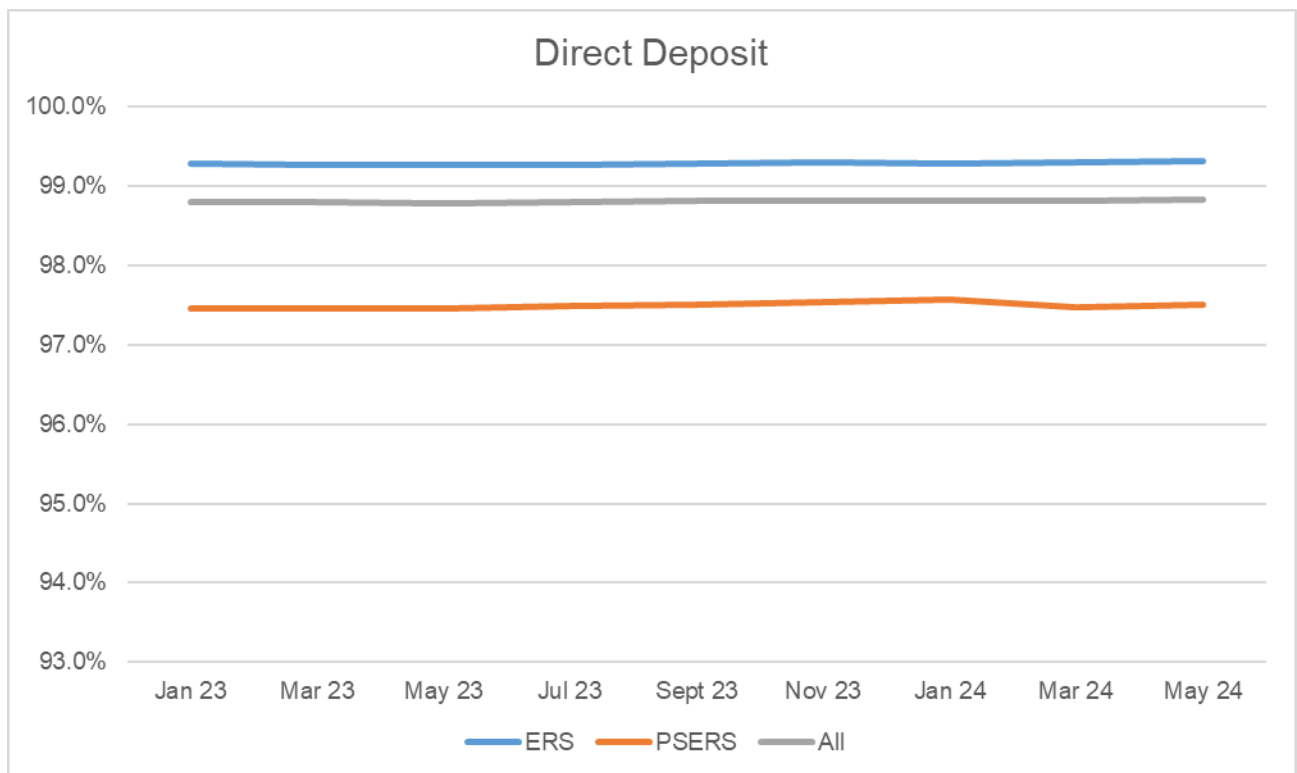
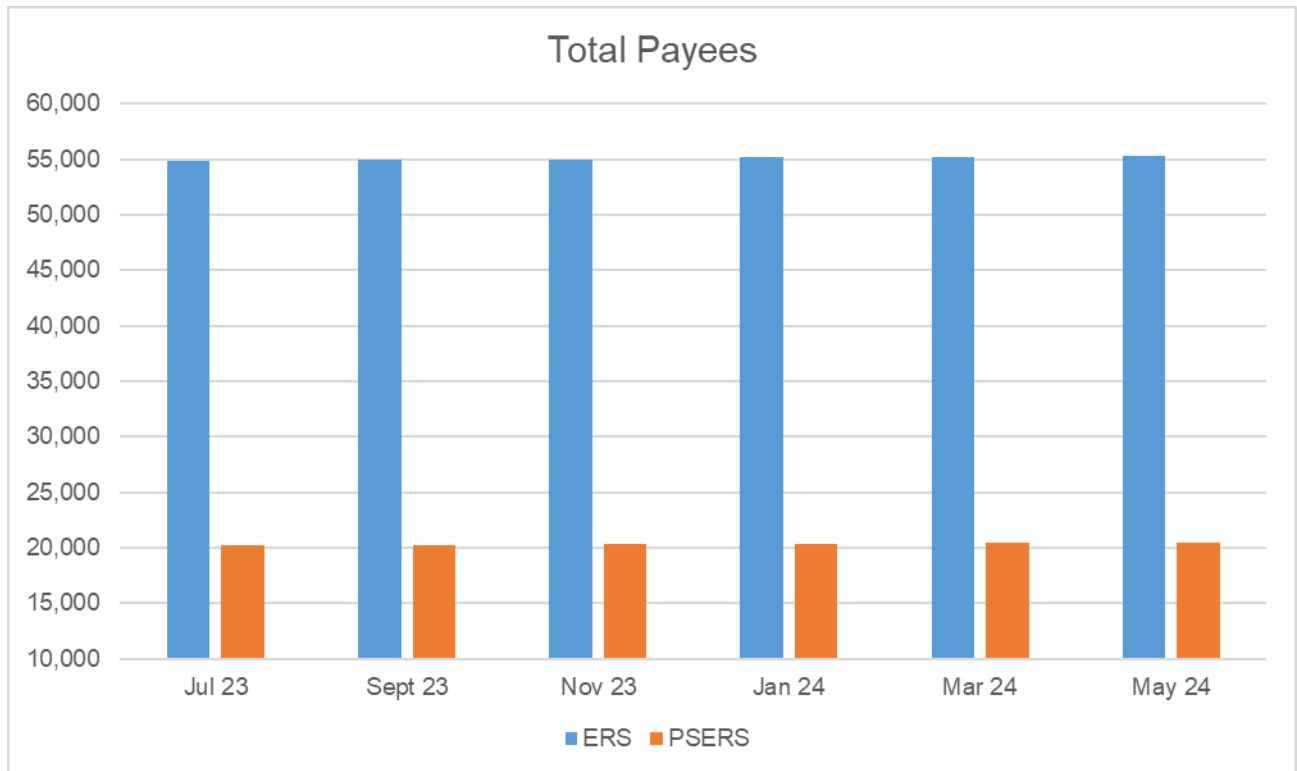
SGLI	FY2023	FYTD2024	Retirees	Retirees	Total Retirees
			Apr 2024	May 2024	May 31, 2024
No Refund	\$13,921	\$17,073	0	0	3
With Refund	17,976	28,402	0	0	5
Total	\$31,896	\$45,475	0	0	8

New Retirements

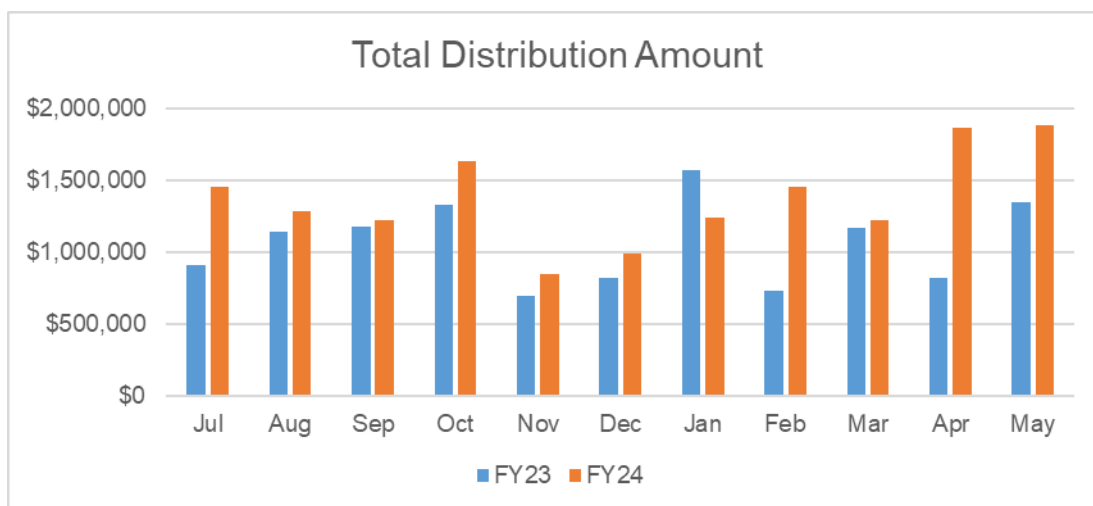
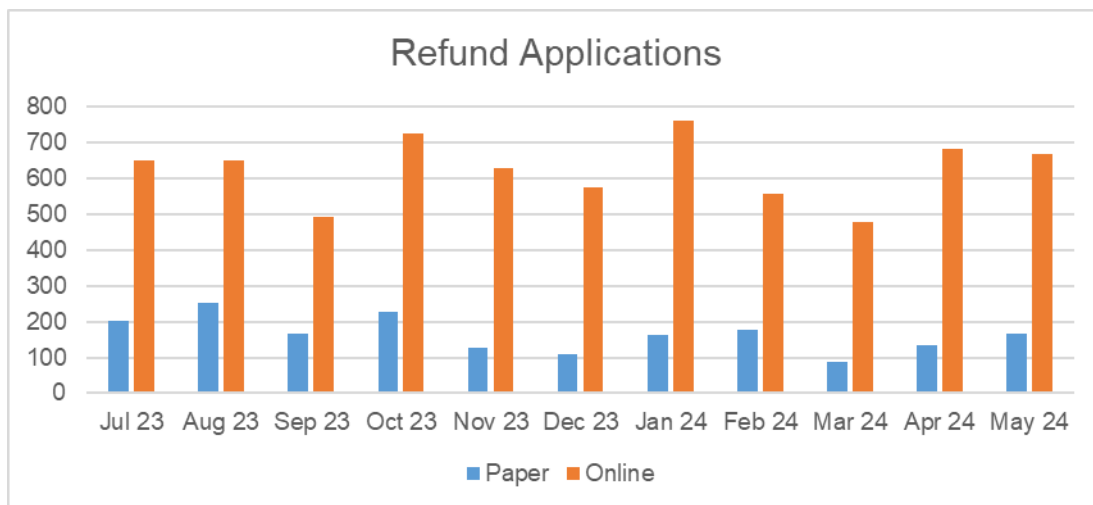
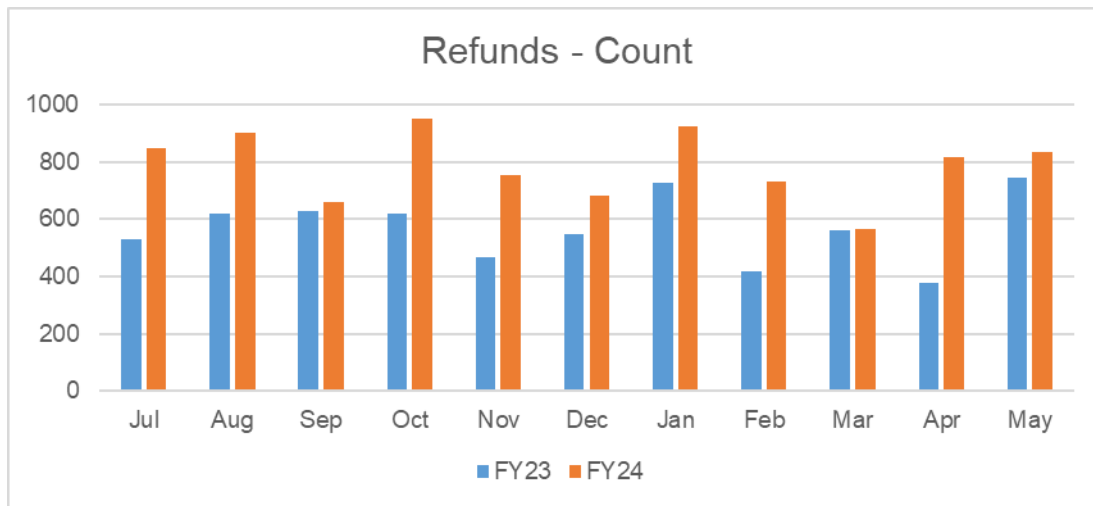




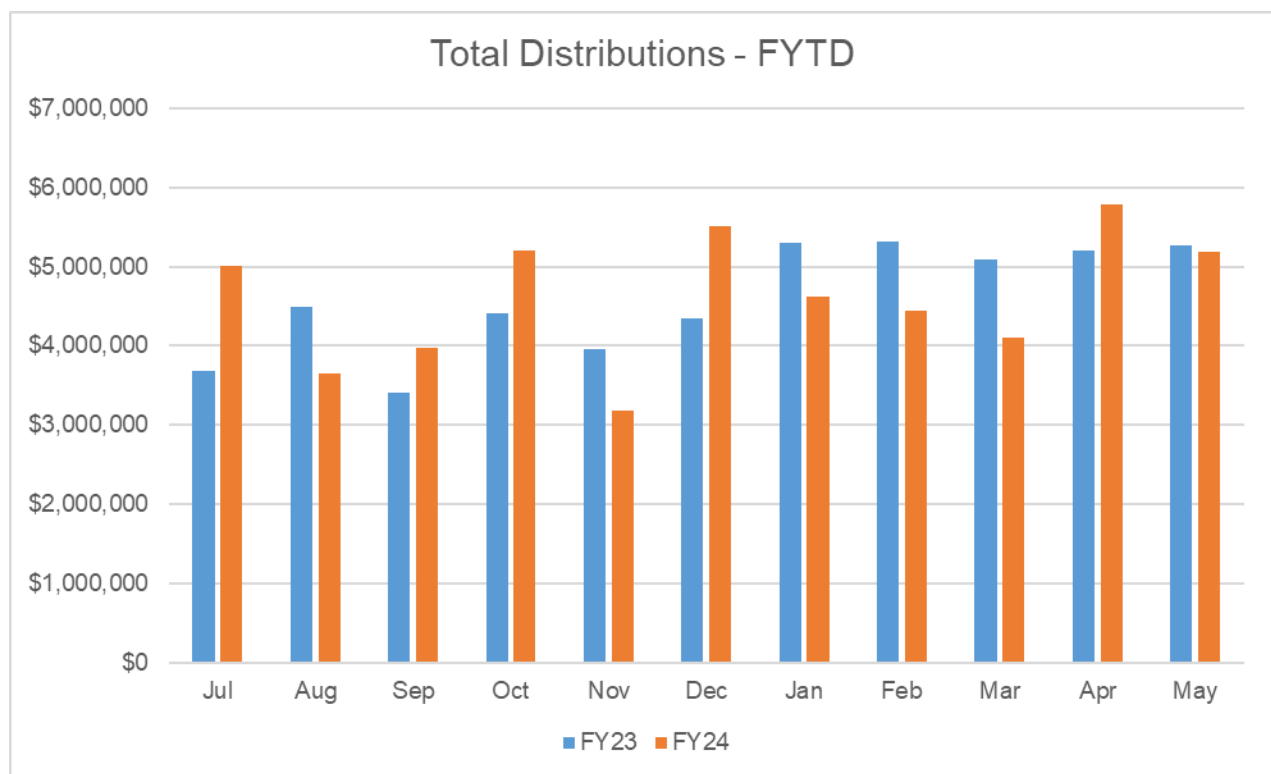
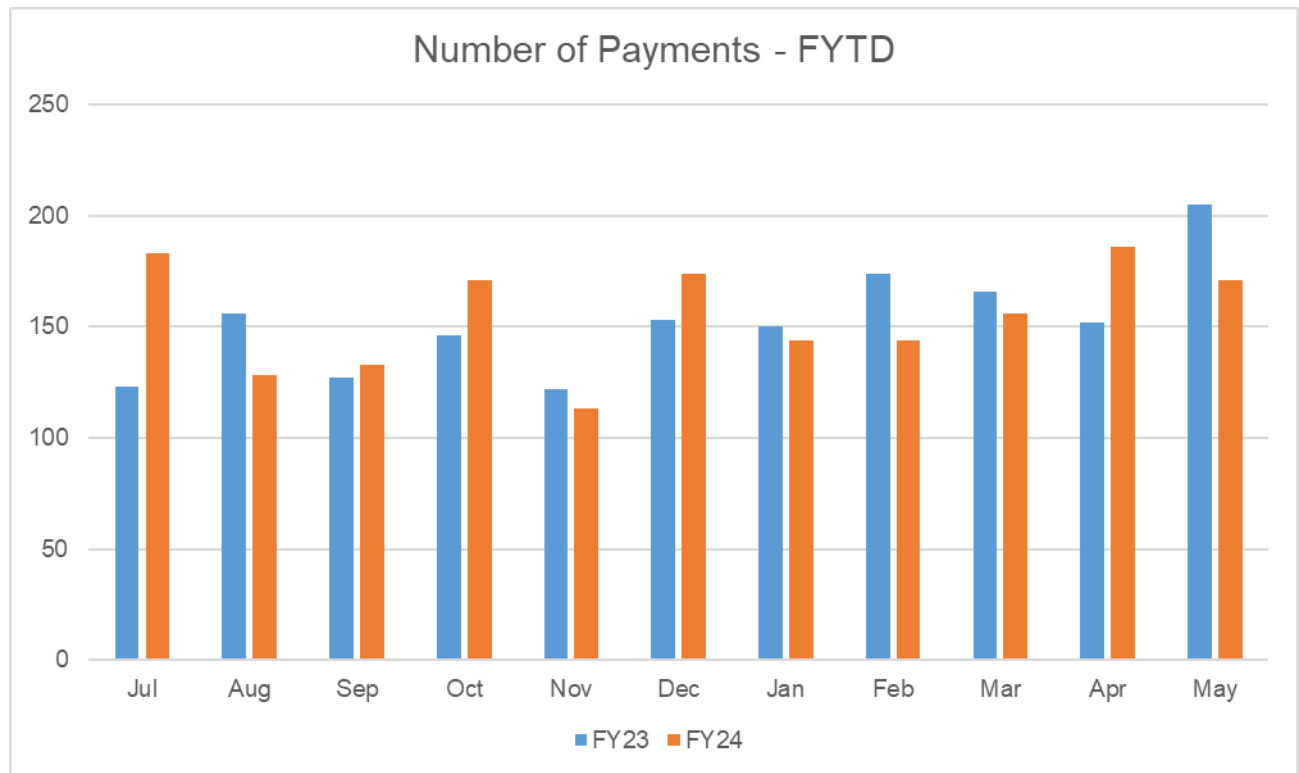
Payees



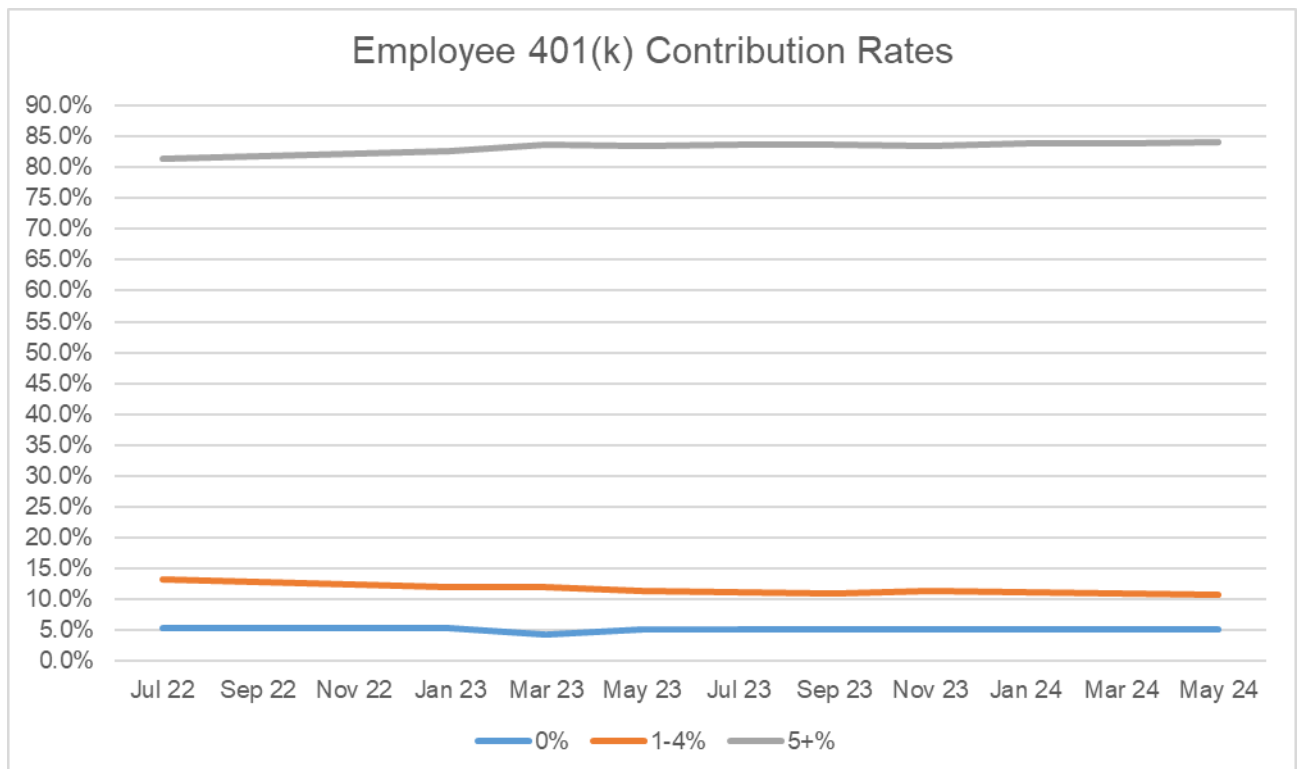
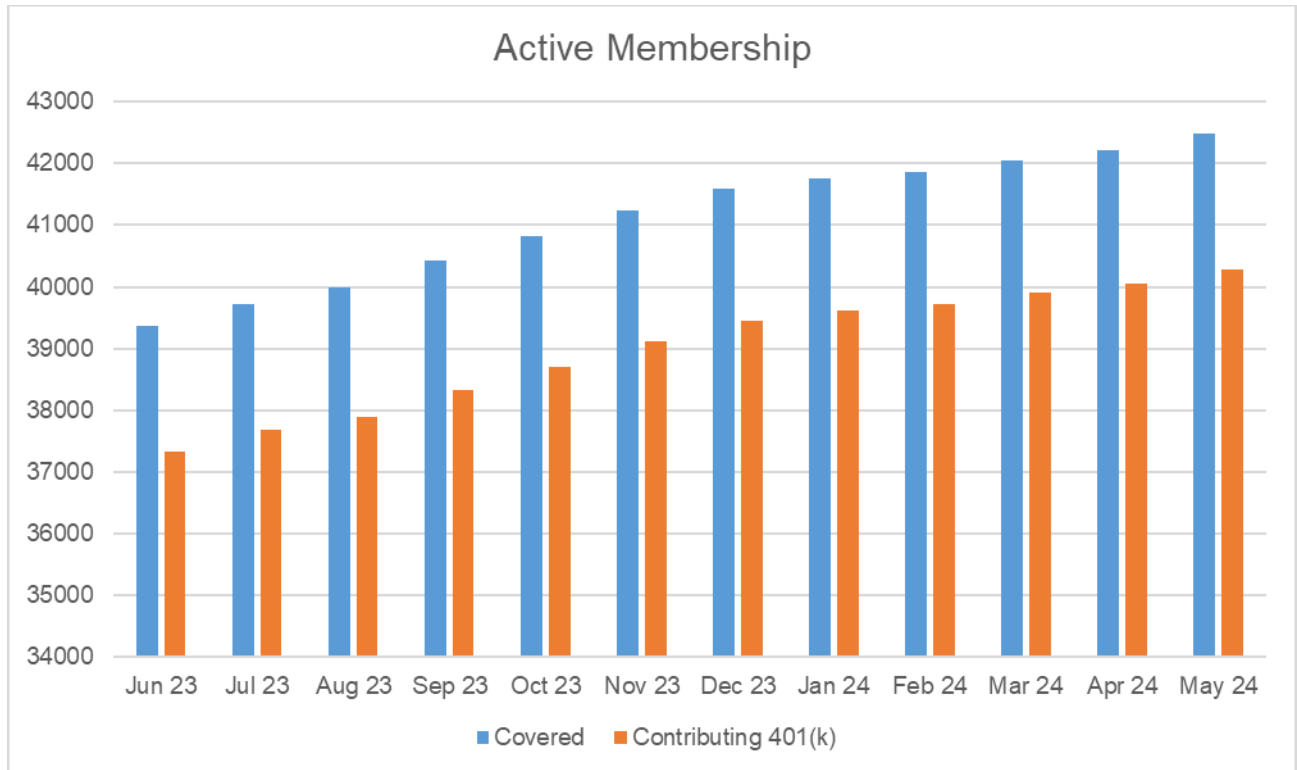
Terminated Members receiving Refunds

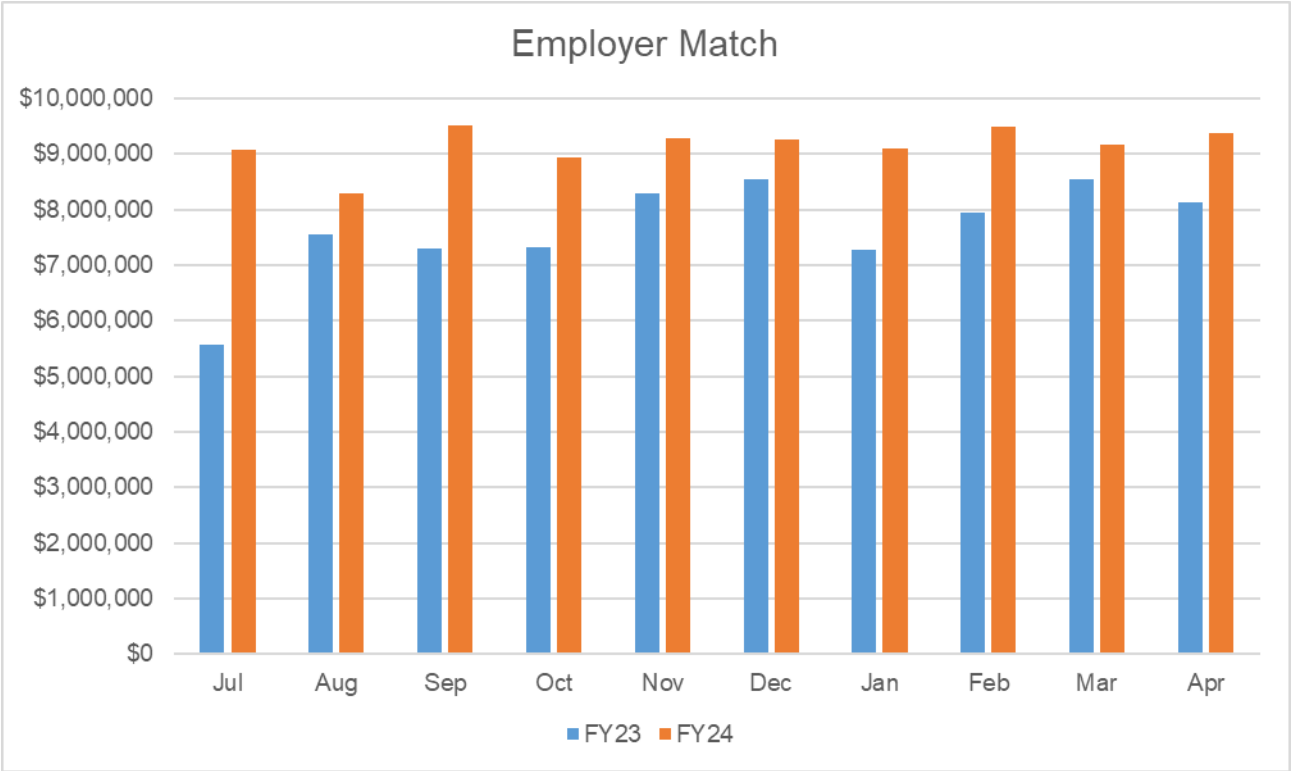


GTLI Payments

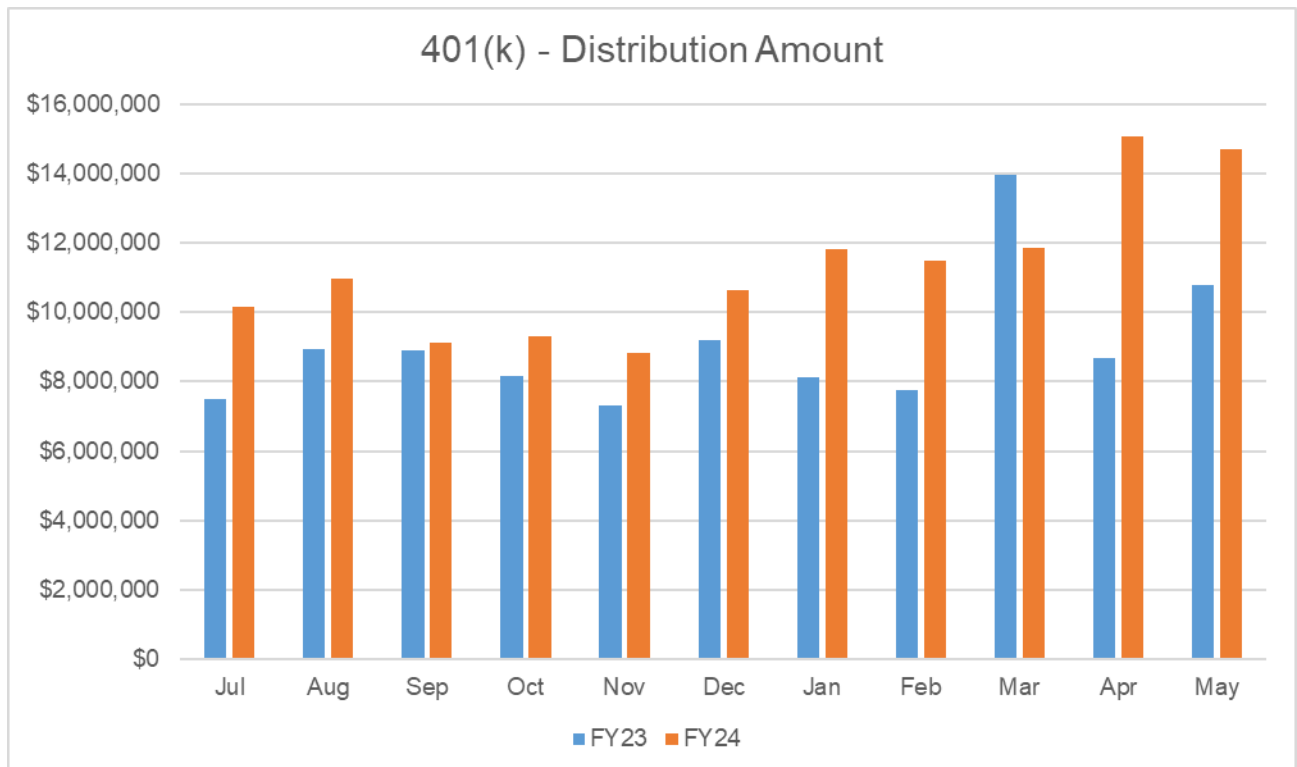
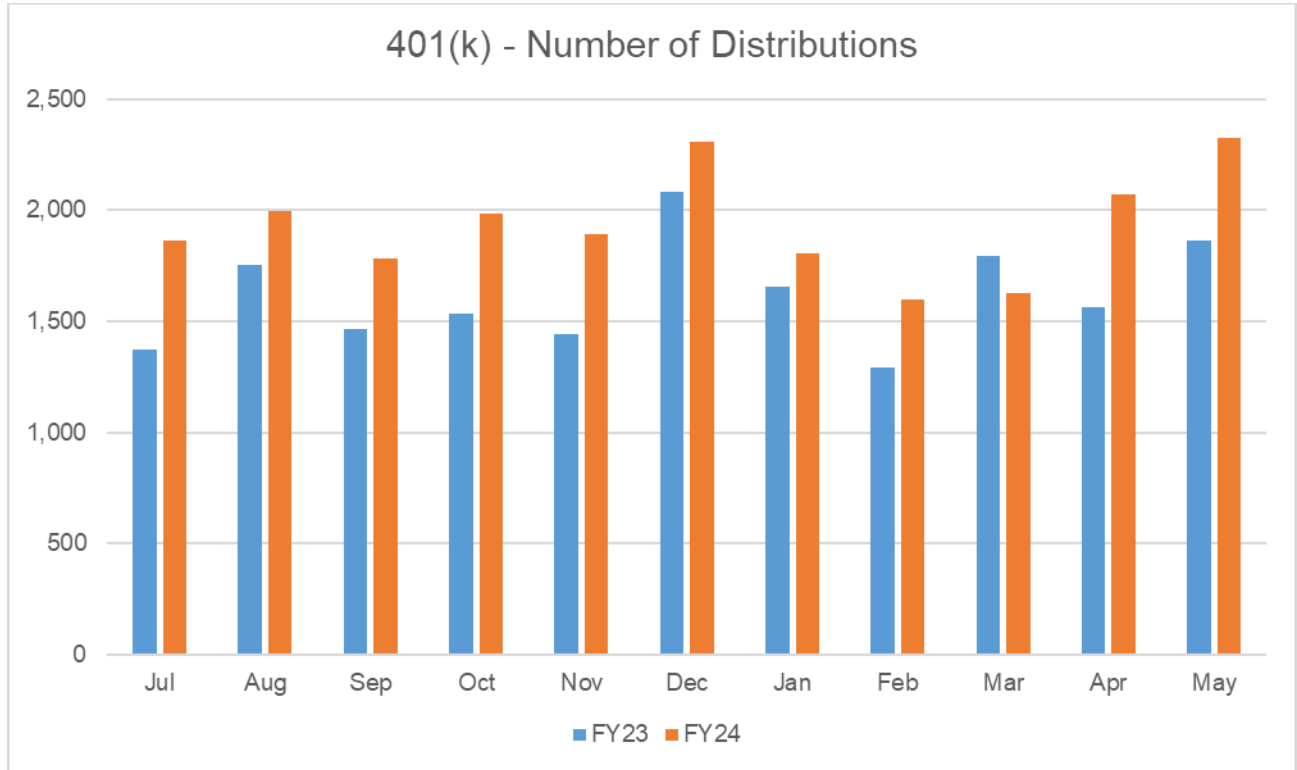


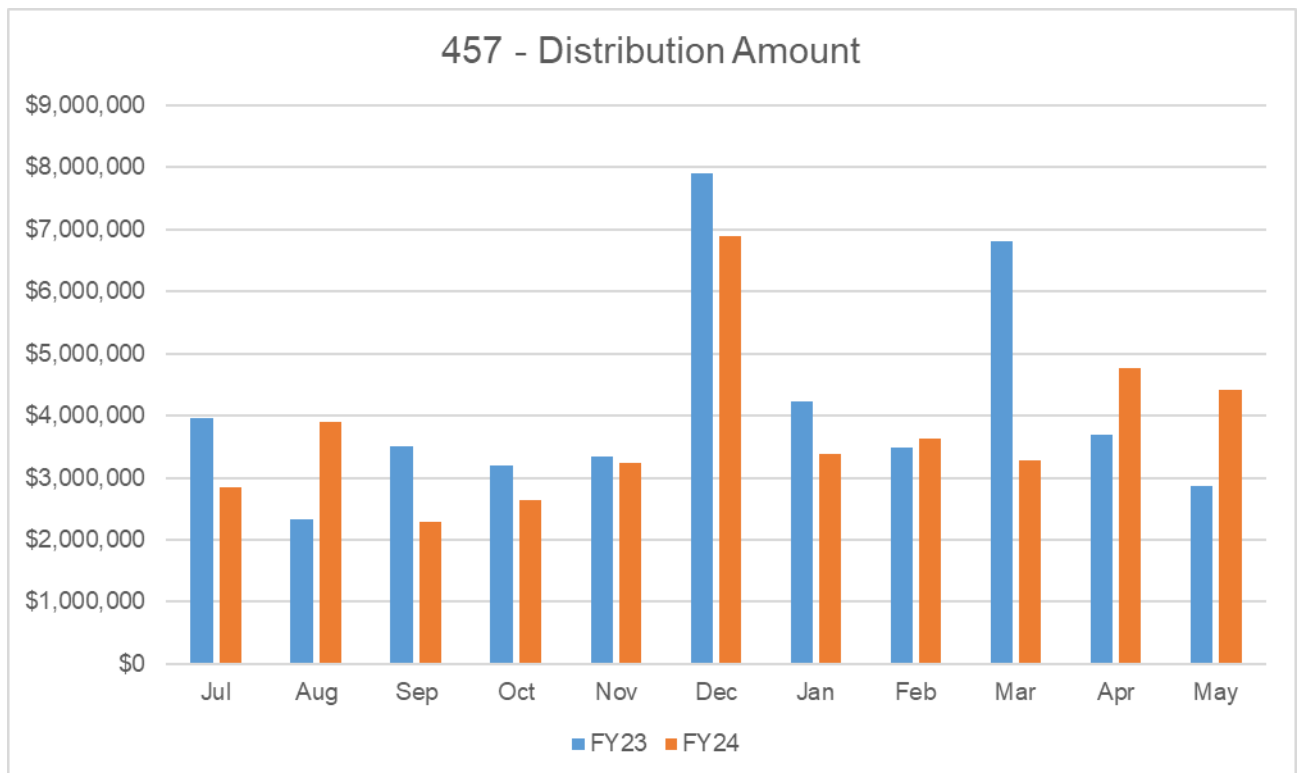
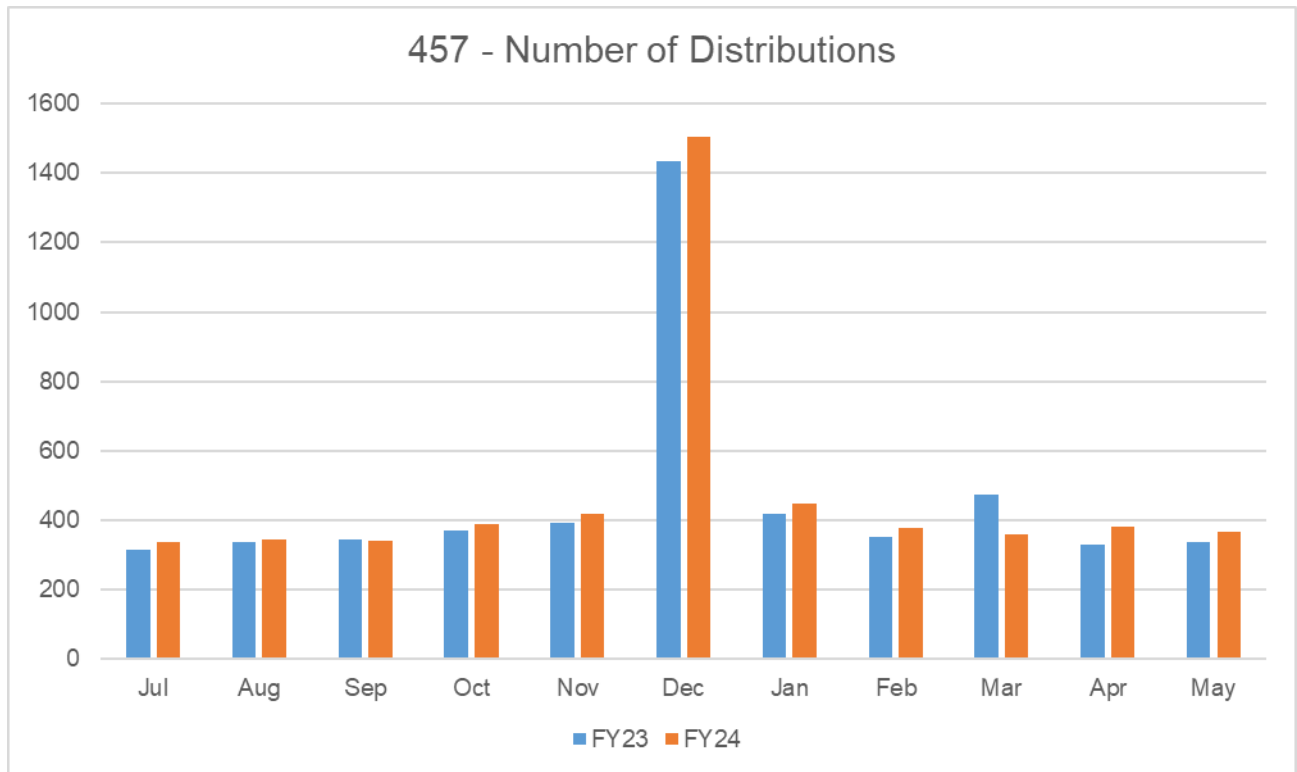
GSEPS



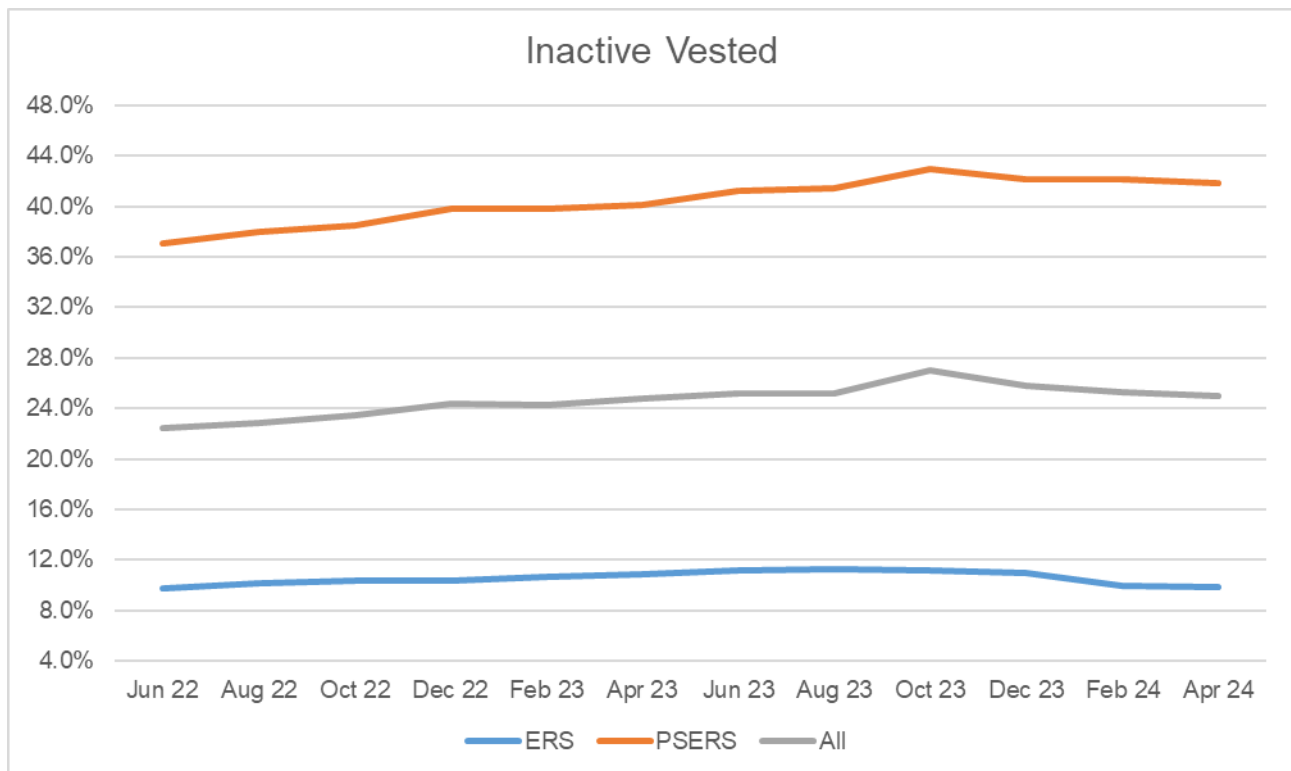
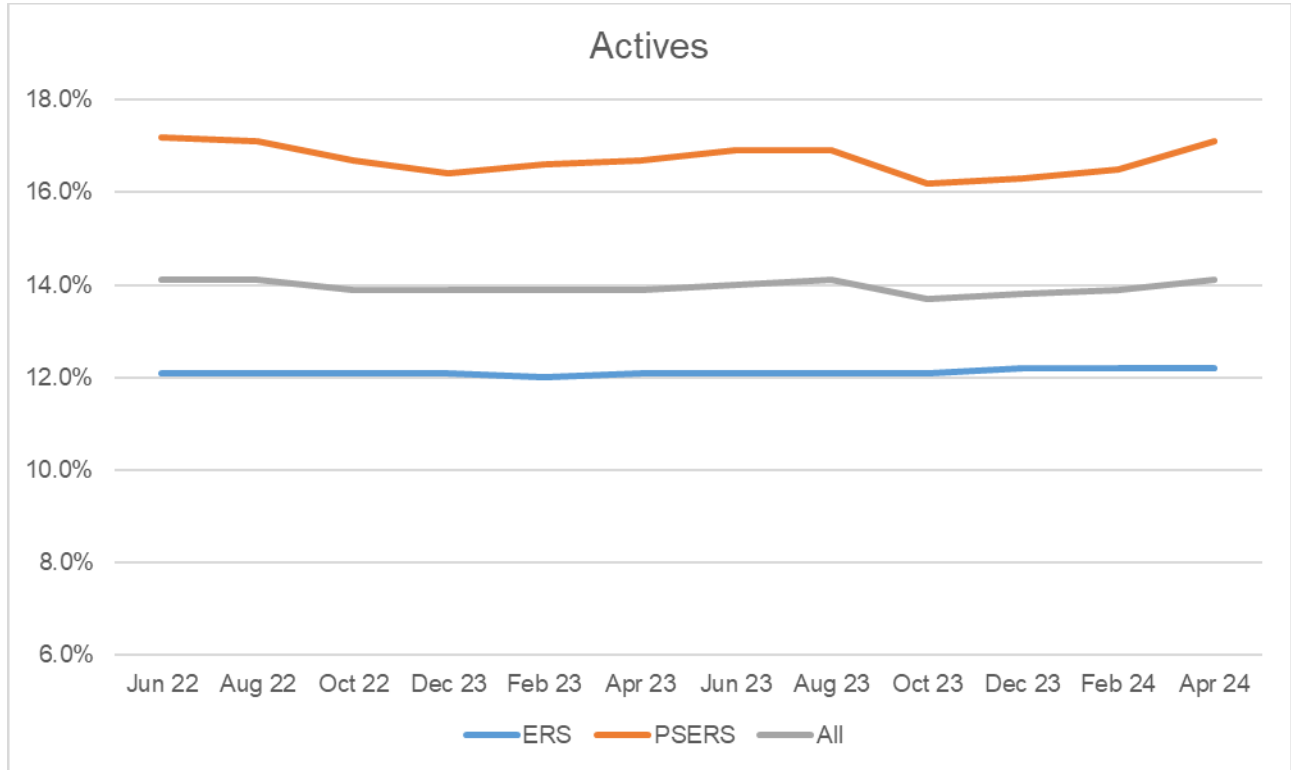


Peach State Reserves Distributions



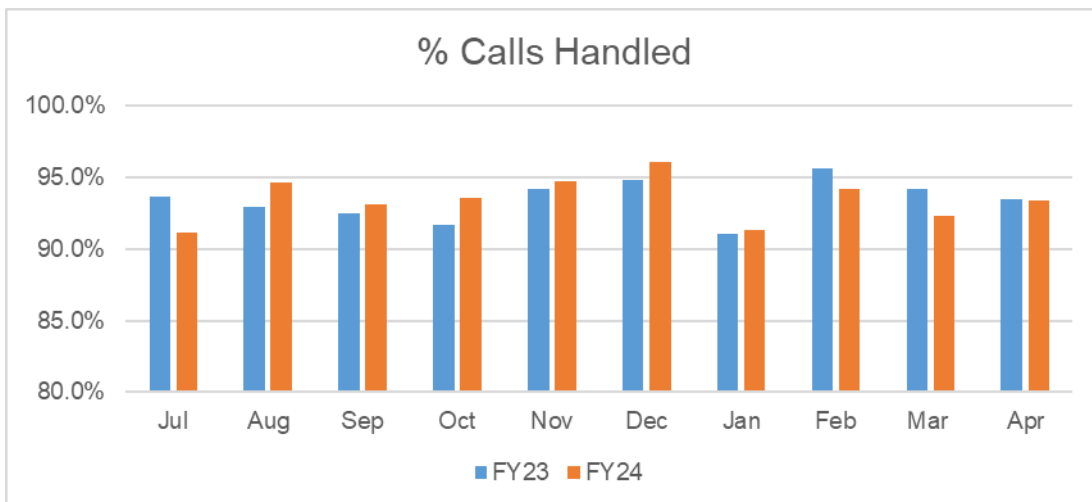
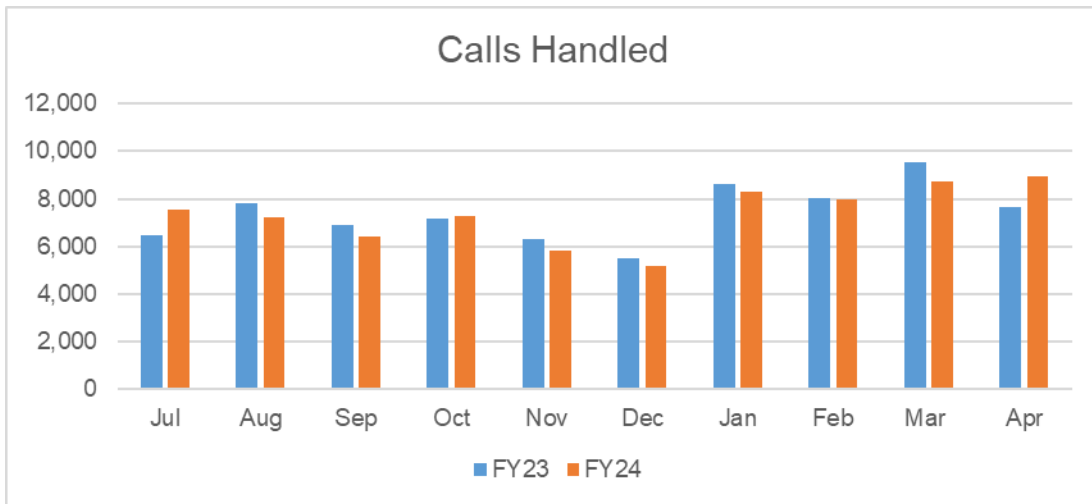
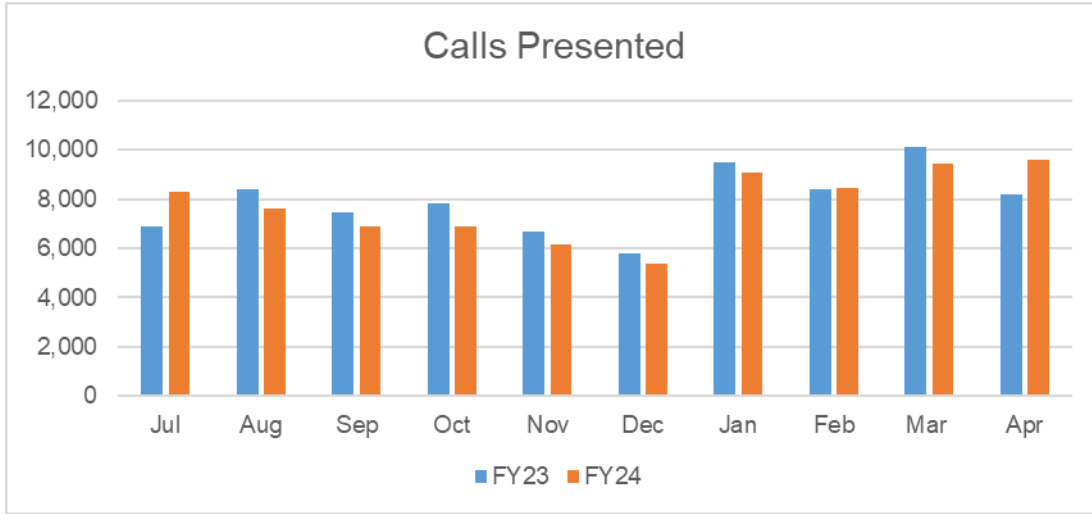


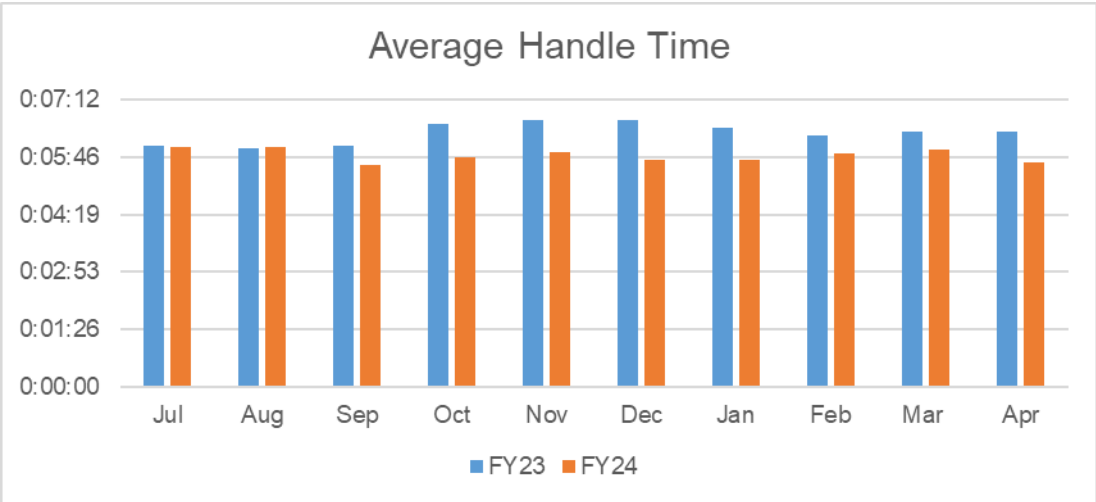
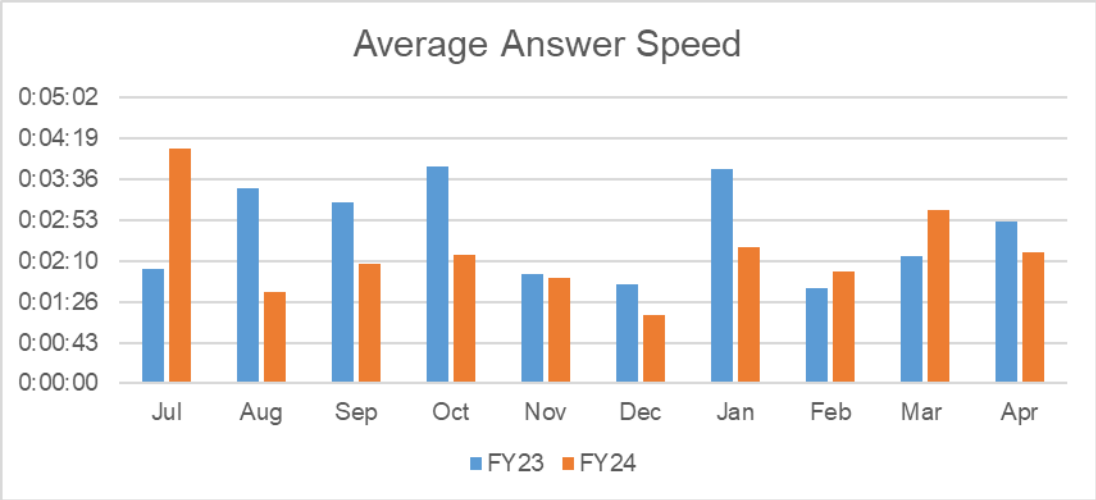
Retirement Eligible



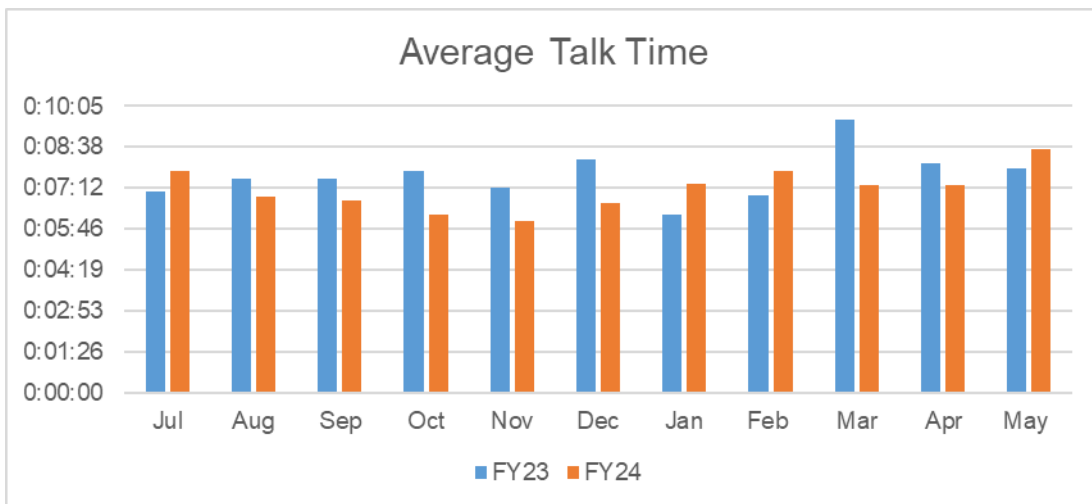
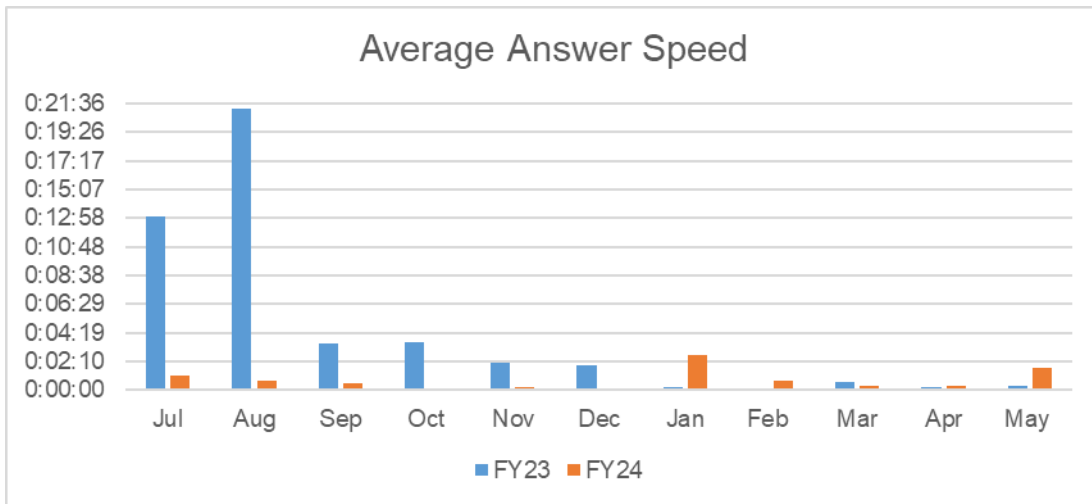
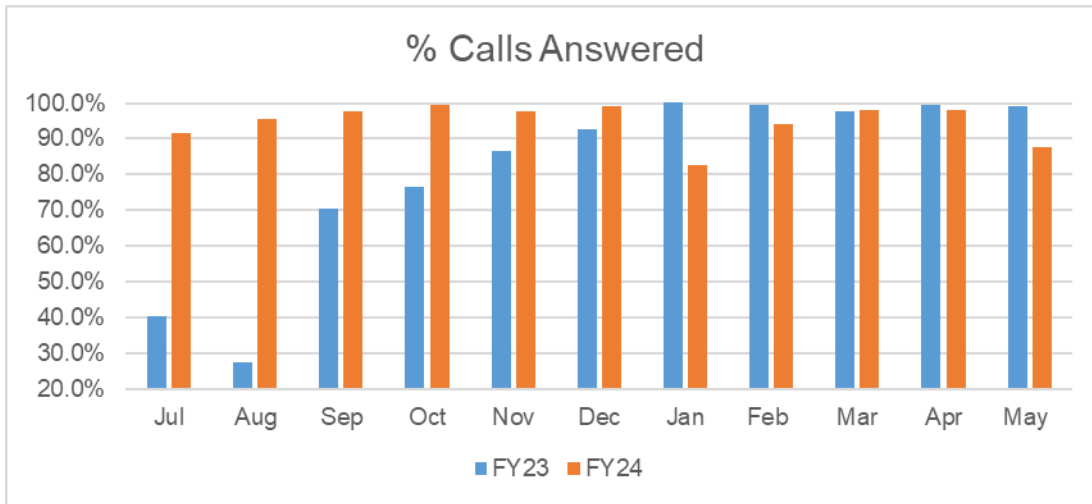
Call Center Statistics

ERSGA

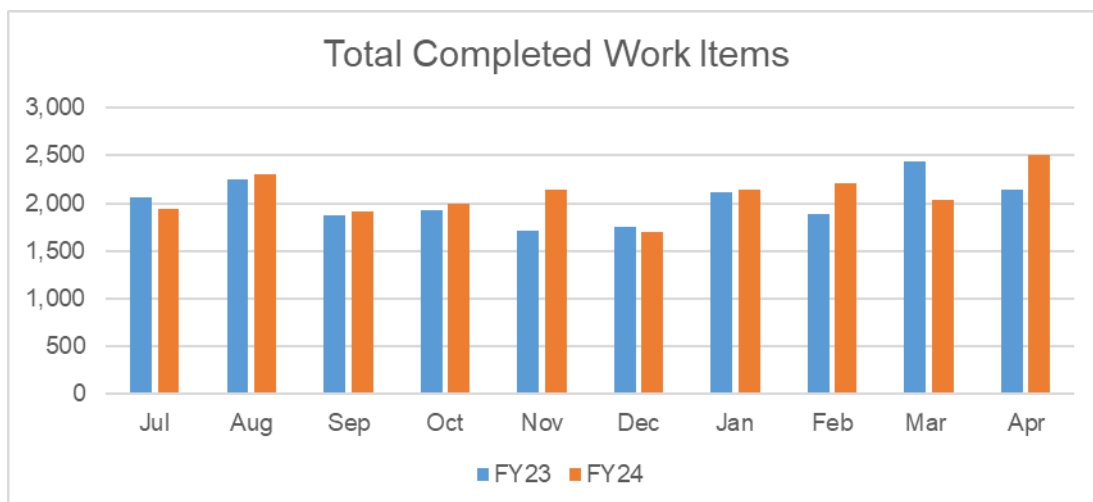
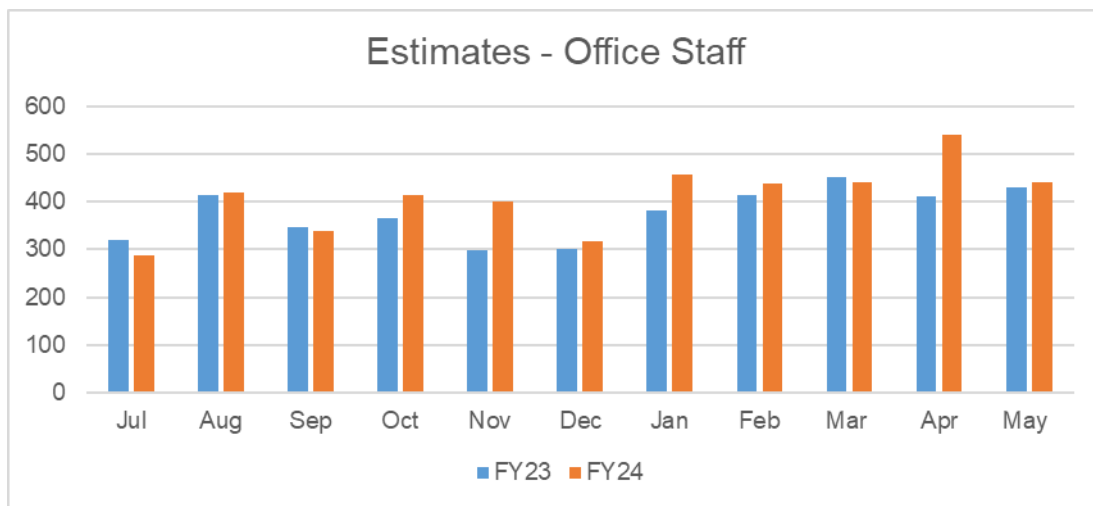
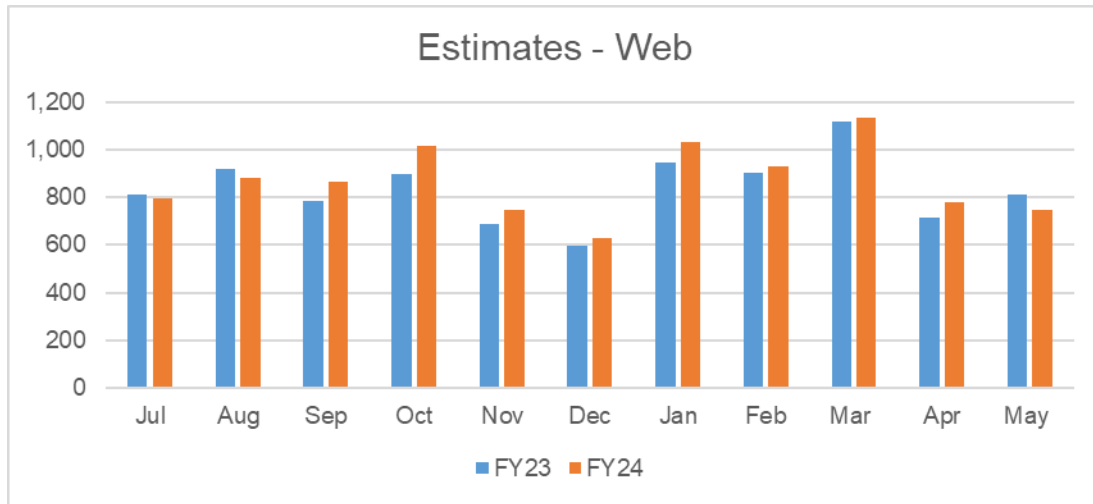




Peach State Reserves



Member Service Statistics



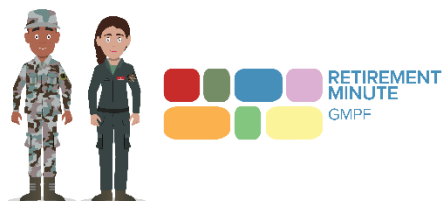
Project Updates

Agency

- ERS GA celebrated Employee Recognition Week in May with a BBQ party which was attended by the majority of staff. Thanks to Kada Antoine (Office Administrator), Michelle Heinecke (Executive Assistant), Latoya Zaire (Retirement Specialist), and all of the other people who worked to make this special event a huge success.

Communications

- GMPF
 - New Video



- Link: <https://www.youtube.com/watch?v=ZawWUZvyzLM&t=2s>
- New Infographic to complement the New GMPF video!



- Link: <https://www.ers.ga.gov/gmpf>
- *Navigating Your Retirement* video series in progress
- Forms
 - Project to redesign all Member and Retiree web forms with fillable fields nearing completion (end of fiscal year)
 - Employer web forms will begin in new fiscal year
- GASB
 - Reports and Note Disclosures uploaded to Employer portal
 - Notification emails sent to employers

- Completed reviews
 - Website
 - Social media presence
 - Branding guide
- Presentation Template
 - All presentation PowerPoint files updated to a cleaner, more modern template
 - New pictures and text design to complement the new template
- Email to Employers announcing new contribution rates
- Internal IT Notifications
 - Worked with IT to create an email template system for notifications to increase employee engagement
- Fire Blankets: Safety collaboration with HR. Distributed to all break rooms and held a raffle for employees to win a fire blanket.
- AI Education: Georgia Institute of Technology
 - Communications Director Danielle Templeton completed a certificate in the AI for Business program at the Scheller School of Business at the Georgia Institute of Technology



- Presentations
 - Tour Stops
 - Virtual New Plan Presentation: 4/19
 - Virtual GSEPS Presentation: 5/8
 - In-Person ERS Overview DFACS Annual Conference, Macon 5/15
 - Virtual New Plan Presentation: 5/17
 - Virtual ERS Overview with Interpreters for DOE 5/21
 - Virtual PSERS Presentation: 5/21

Financial Management

- Completed
 - GASB 68 and 75
 - Documents posted to the Employer Portal and/or ERS.ga.gov
 - Employers notified of posting through Retirement Minute
- In-progress and Upcoming
 - GASB 67 Internal Audit of Employers
 - Demonstrate the source data from Employers matches the data ERS received
 - Methodology
 - A random month is chosen,
 - Employers are asked to send the source data for that month
 - This year, 9 Employers of various sizes were asked for March 2023 data
 - The data received is compared to the data posted to PARIS,
 - Discrepancies are returned to the Employer for verification and resolution.
 - If there are no issues, the Employer receives a “clean audit” letter.
 - External Audit Support
 - Provide requested process walk-throughs, samples and explanations

- FY24 Year-End Processing
 - Year-end reports, data verification, cash receipts allocations, issue resolution and reconciliations.
- Metrics
 - Analysis of metrics to formulate plans to address historic issues and bring all metrics current.
 - Identify trends and areas of improvement based on metrics.
- Update System Parameters, Forms and Tables
 - Certain factors and limits are updated in the administration systems at the beginning of the calendar year. After the update, any calculation utilizing these updates is tested and verified.
- Data Verification and Update of ERS Active Members
 - In preparation for the annual ERS integrated Member statements, FMD performs data audits and corrections specifically targeting ERS active Members who will receive the statements. Since this is an ongoing practice, the verification process produces fewer and fewer issues each year.
- Outstanding Checks
 - Research outstanding checks
 - Retirement benefit suspended after 2 months of outstanding checks
 - Verify if Retiree is deceased
 - ☐ Death search services
 - ☐ Internet Research
 - ☐ Proof of Life Letters
 - Contact non-deceased retirees
 - ☐ Cancel outstanding checks and reissue
 - Reduced the number of outstanding checks by 429
- SAO Rehired Retiree Audit
 - Compare SAO's 1099 information to the information reported/not reported to ERS by Employers.
 - Work with Employers to address/correct any discrepancies.
 - Make sure all forms are on file for compliance purposes.

Human Resources

- ERSGA is participating in the NCPERS/CBIZ Public Pension Compensation Study. HR is currently compiling data to submit on June 10th.
- 2023-2024 Leadership Development Program for Non-Managers classes are completed. Capstone project and graduation will take place in July '24.
- Conducted agency policy and handbook refresher in April '24.
- Conducted Multi-Generational Leadership training for managers and supervisors in Dec '23.
- Final performance evaluations are in progress and will be completed end of June.
- Collaborated with our Communications Team to redesign the external Career's webpage. Link to the site is provided in COM's report section.
- Partnered with DOAS Risk Management to conduct on-site safety audit in Feb '24. The agency's weighed-evaluation and walk-through score totaled 100%.
- Facilitated various brainstorming sessions with leaders on ways to improve ERSGA's retention survey results.
- Facilitated workforce planning discussion in May '23.
- Created a "How-To" procedures guide and FAQ's for Learning Management System.
- Completed the first phase of HR data clean-up in March for upcoming new HRIS (*Workday*) system roll-out.

- Completed two Community Service / Employee Engagement activities:
 - Partnered with InCommunity which is a local non-profit for their Halloween Trunk or Treat community activity which took place in Oct '23.
 - Partnering with Trees Atlanta which is a non-profit for their upcoming "Conserve the 4-0-Forest" community activity to help beautify one of our neighboring communities which took place in April.
- Recruitment
 - MS Retirement Supervisor
 - FMD Retirement Benefits Analyst
 - Communications Specialist
 - Policy and Legal Research Analyst
- Retirements
 - Errol Waithe - Manager, IT Security, Information Technology
 - Joe Mooney - System Administrator, Information Technology
- Recent Hires
 - Manager, IT Security, Information Technology
 - Document Center (Temporary hire)
 - CCG (Temporary hire)

Information Technology

Applications Development

- Major database tuning project moved to production
- 168 help desk tickets were closed.
- 70 data modifications
- Adjustments to processes to handle new Lag Pay Rules (Affecting Employer contribution loads, Web Changes, Summary Table, Actuary Data, etc.)
- Adjustments to handle international addresses and phone numbers as part of the registration process.
- Changes to Required Minimum Distribution Letters
- Posting of GASB Employer Reports to portal

Support Center

- 481 Support Center tickets closed since last Board meeting
- Completed Conference/Training space upgrades, converted 3 spaces to zoom rooms and increased capability in every space
- Completed Agency-Wide Printer Upgrade and Training
- Completed Upgrade of Track-IT! Ticketing system. Moving from version 20.23.1.142 to 20.24.1.56

Support Center

- Hired a new person to lead the security team

Legislative Affairs

- 36 Legislative Affairs Inquiries
- 440 Legislative Documentation Updates
- 119 Legal Inquiry Research Requests
- 99 Open Records Requests and Request for Production of Documents Inquiries
- Legislative
 - Updated FiscalNote summaries and labels with last actions during session
 - Monitored tracked bills for Governor's signature during bill review period
 - Created Documentation Folders for passed bills impacting ERSGA
 - Developed Legislative Implementation Action Plan for HB 915, HB 916, HB 385, and SB 105
 - Created PSERS handbook changes and website documentation related to SB 105 changes
 - Updated ERSGA System Snapshot with 3/31/2024 data
 - Drafted and sent thank you letters to 8 Legislators

- Legal
 - Created drafts and documentation related to several relevant legal matters
- Public School Employees Retirement System (PSERS) Social Security Survey Project
 - Obtained School Payroll Contact information from the Teachers Retirement System of Georgia and the Georgia Department of Audits and Accounts
- Trustee Training
 - Renewed Board Smart Trustee Training Agreement
 - Created Log-In, Self-Assessment, and Progress and Completion Analyzation Reports for Board Members Training
 - Reminder emails sent to Trustees who have not yet logged into Board Smart 3.0
 - Updated Trustee Training Tracking Spreadsheet with New JRS member and posted to Board Portal
 - Created reminders for Trustees with training due in 2025
- Ethics
 - Informed 4 new hires of Executive Branch Ethics Policy and collected attestations. ERS has a 100% attestation rate.
 - Created and delivered Workplace Ethics and Professional Responsibility presentation to ERSGA's Leadership Development Program participants



Member Services

- Close to completing a project with Communications to update all retirement applications and other forms on our website.

Peach State Reserves

- Target Maturity Bond Fund - The 2024 Target Maturity Bond Fund will close at the end of June with assets transferring to the TIPS fund. No new Target Maturity Bond fund will be added this year and instead the bond ladder option will be sunset in 2026 when the last remaining fund in the ladder matures.
- Admin fee suspension - Effective July 1, the basis point PSR admin fee charged on all PSR funds will be suspended (currently 3bps). Forfeitures, interest and the \$2 quarterly fee provide enough funding to cover PSR admin expenses so the basis point fee is no longer needed to cover expenses.
- Reallocation funds - In early July, the periodic reallocation of excess forfeiture and expense funds will be processed back to participant accounts.
- Catch-up contributions as Roth - Starting preliminary conversations with employers about reporting FICA pay for all employees to comply with the SECURE 2.0 requirement of catch-up (age 50+) contributions being after-tax, Roth contributions for employees with FICA pay over \$145k in previous year.

Quality Assurance

- Completed New Retirement Audit for the 2nd quarter of FY 2024
- Completed testing for identify column updates in PREPROD including group testing and QA region
- Presented at the State Court Judges' Spring Conference-May 2024

- Currently
 - Evaluation of new service purchase audit is in progress.
 - Verifying data to process ERS June one-time post-retirement benefit adjustment (PRBA) payments.
 - Preparing to process July 2024 COLA and PRS rate change
 - Auditing New Retirement cases for the 3rd quarter of FY 2024
 - Finishing updates for Option Factors effective 07/01/2024