

The Board of Trustees of the Teachers Retirement System of Georgia met in its annual meeting on May 11, 2022, at 10:30 a.m. via in person and Webex Video/Audio Conference. Trustees present in person were Ms. Deborah K. Simonds, Chair, Dr. Jason L. Branch, Mr. Kenneth Dyer, Mr. Greg S. Griffin, Mr. Thomas W. Norwood and Dr. William G. Sloan. Trustees participating via Webex were Dr. Marion R. Fedrick and Ms. Miriam M. Shook.

TRS staff members present were: Dr. L. C. Evans, Ms. Laura L. Lanier, Mr. C. William Cary, Mr. Winston C. Buckley, Mr. R. Cory Buice, Ms. K. Paige Donaldson, Mr. Eddy A. Hicks, Ms. Dina N. Jones, Mr. Thomas W. McMurry and Ms. Vonnie B. Stewart.

Mr. Bryan Webb and Ms. Shelley Seinberg were present as legal counsel.

Visitors in attendance were: Mr. Sean DeVetter, Mr. John Garrett, Ms. Emily Jones, Ms. Madeline Katz, Mr. Ed Koebel, Mr. Dan Powers, Ms. Toni Smith, Ms. Karen Solheim, Mr. Don Splinter, Mr. Austin Trott and Ms. Cathy Turcot.

Ms. Simonds called the meeting to order and welcomed board members, staff and visitors to the meeting.

#### Item 1

Mr. Griffin made a motion to adopt the March 23, 2022, Board of Trustees meeting minutes and the Investment Committee meeting minutes for March 23, 2022, and April 27, 2022. Mr. Norwood seconded the motion. The motion was unanimously adopted.

#### Item 2

Dr. Evans presented an operational update. Information Technology Division continued to be very diligent with cybersecurity and malicious network scans/attacks in millions of attempts each month. Communications and Outreach Division conducted 41 events reaching 31 counties with 2,114 attendees (virtual and in-person) and also released first internal newsletter video. The May 1, 2022, benefit payroll showed there were 126,498 service retirees who received an average monthly benefit of \$3,482, with a monthly total benefit payroll of \$472.5 million. The average service credit for those retirees was 25.62. The Maximum Plan remained the most elected by retirees at 58%. Work items processed, detailed statistical information and updates for each division were reviewed.

#### Item 3

Ms. Lanier reported on the financial statements and expense fund as follows:

- 3.1 Assets restricted for pensions were \$92.9 billion, a 7.6% decrease from April 2021.
- 3.2 Total contributions recognized year-to-date as of April 30, 2022, were \$2.9 billion while benefit payments made were \$4.7 billion.
- 3.3 The expense fund remained on target with normal operations. Year-to-date with 83.3% of the year completed, TRS has expended 75.1%. Mr. Dyer made a motion to approve the expense fund. Dr. Branch seconded the motion. The motion was unanimously adopted.

#### Item 4

Dr. Evans reviewed the highlights of HB 385 which was signed into law by the Governor on April 28, 2022, and becomes effective July 1, 2022. The legislative report was provided for information.

Item 5

Dr. Evans presented the FY 2023 maximum percentage increase allowed for the two-year salary calculation. Based on the information received from the Board of Regents and the Department of Education and in accordance with O.C.G.A. § 47-3-120(d), Dr. Evans recommended the salary increases allowable for the calculation of retirement for FY 2023 be set as follows:

Employees of the Board of Regents	10.79% (8.29% + 2.50%)
All Others	4.22% (1.72% + 2.50%)

Mr. Norwood made a motion to adopt the recommended maximum percentage salary increase for FY 2023. Mr. Dyer seconded the motion. The motion was unanimously adopted.

Item 6

Mr. John Garrett and Mr. Ed Koebel from Cavanaugh Macdonald Consulting presented the results of the June 30, 2021, actuarial valuation. The market value investment return was 29.20% for FY 2021, which is 21.95% above the assumed rate of return. The funded ratio was 81.3%. The decrease in the unfunded actuarial accrued liability (UAAL) and increase in the funded ratio from prior valuation are primarily due to the valuation asset growth being more than expected. There was a 1.3% decrease in active membership and 0.1% decrease in payroll.

Cavanaugh Macdonald recommended the following changes to the current funding policy and changes to the economic assumptions to reduce potential future contribution volatility and to prepare for changes related to ASOP 4: (1) a decrease in the assumed annual rate of return on investments from 7.25% to 6.90%, and a decrease in the payroll growth assumption from 3.00% to 2.50%; (2) modified asset smoothing method to increase the amount of asset gain recognized this year by an amount such that the total UAAL is the same as if no assumptions or methods had been changed, and the remaining unrecognized asset gain will be spread equally over the four-year period following this valuation; and (3) change Board funding policy to define a new transitional UAAL amortization base as of June 30, 2021, reduce the amortization period for this base to a period not to exceed 23 years and reduce the amortization period for future incremental UAAL bases from 30 years to 25 years.

The actuarial valuation indicated FY 2024 contribution rates of 6.00% for the employee rate and 19.98% for the employer rate would be sufficient to support the benefits of the System in accordance with the Board's funding policy. Mr. Norwood made a motion to accept the June 30, 2021, actuarial valuation. Dr. Sloan seconded the motion. The motion was unanimously adopted.

Item 7

Ms. Simonds called for a motion to adopt the FY 2024 employer contribution rate of 19.98% and the employee contribution rate of 6.00%. Dr. Branch made a motion to adopt the rates. Mr. Norwood seconded the motion. The motion was unanimously adopted.

Item 8

Dr. Evans presented for approval the appointments of Dr. Laura Stubbs Fay and Dr. Howell Rudolph Warren to the TRS Medical Board to replace Dr. Marvin Bittinger and Dr. William Biggers. Dr. Fay is an internal medicine doctor at Albany Internal Medicine. Dr. Warren is a psychiatrist and currently provides service to the Employees' Retirement System of Georgia and the Social Security Administration. Mr. Dyer made a motion to appoint Dr. Fay and Dr. Warren to the TRS Medical Board. Mr. Norwood seconded the motion. The motion was unanimously adopted.


Item 9

- 9.1 The Trustees voted by ballot. Ms. Simonds was re-elected as Chair.
- 9.2 The Trustees voted by ballot. Dr. Branch was elected as Vice-Chair.
- 9.3 The Trustees voted by ballot. The following Trustees were elected to the Investment Committee: Branch, Dyer, Griffin, Norwood, Simonds and Sloan.

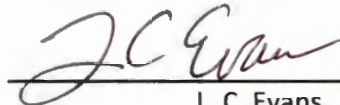
Item 10

Ms. Simonds presented the FY 2023 committee assignments as amended for adoption. Mr. Norwood made a motion to adopt the committee assignments as presented. Mr. Dyer seconded the motion. The motion was unanimously adopted.

There being no further business to discuss, Ms. Simonds adjourned the meeting at 11:55 a.m.



Deborah K. Simonds  
Chair



L. C. Evans  
Executive Director