

TRS Board of Trustees
Minutes of Bimonthly Meeting
July 26, 2023

The Board of Trustees of the Teachers Retirement System of Georgia met in its bi-monthly meeting on July 26, 2023, at 10:30 a.m. via in person and Zoom Video/Audio Conference. Trustees present in person were Ms. Deborah K. Simonds, Chair, Dr. Jason L. Branch, Mr. Kenneth Dyer, Dr. Marion R. Fedrick, Mr. Greg S. Griffin and Dr. William G. Sloan. Trustees participating via Zoom were Ms. Miriam M. Shook and Mr. Christopher S. Swanson.

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

Mr. Bryan Webb was present as legal counsel.

Visitors in attendance were: Mr. Sean DeVetter, Mr. Joe Fleming, Ms. Lindsay McVicar, Mr. Dan Powers, Ms. Toni Smith, Ms. Karen Solheim, Mr. Don Splinter and Ms. Lisa Underwood.

Ms. Simonds called the meeting to order and welcomed trustees and visitors to the meeting.

Item 1

Dr. Fedrick made a motion to adopt the Board of Trustees meeting minutes for May 10, 2023, and the Investment Committee meeting minutes for May 10, 2023, and June 28, 2023. Dr. Branch seconded the motion. The motion was unanimously adopted.

Item 2

Dr. Evans provided an operational update for FY 2023. Work items, statistical data and updates for each division were reviewed. Financial Services was awarded its 35th Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association (GFOA). Cyber security statistics comparison was provided for FY 2023 versus FY 2022. For FY 2023, Communications conducted 318 events, with 31,432 attendees (virtual and in-person) and produced 7 podcast episodes and 33 YouTube videos. Turnover rate for FY 2023 (excluding retirements) was 4.49% compared to FY 2022 at 6.58%. New service retirements decreased in FY 2023 compared to FY 2022: 6,320 to 6,666. Retirement Services Division processed for FY 2023 132,927 service retirees with benefit payroll of \$6.0 billion.

Dr. Evans also provided an update on the PBI/third party customer data breach.

Item 2

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

- 3.1 Assets restricted for pensions were \$95.0 billion as of June 30, 2023, compared to \$87.1 on June 30, 2022.
- 3.2 Total contributions for FY 2023 were \$3.8 billion, an increase of \$255 million from FY 2022. Change in net position for FY 2023 was an increase of \$23 billion.
- 3.3 The expense fund closed under budget for FY 2023. With the end-of-the year closing, TRS expended 89.0% of budgeted funds. Mr. Dyer made a motion to approve the expense fund. Dr. Sloan seconded the motion. The motion was unanimously adopted.
- 3.4 The Beta Building report was provided for information.

3.5 Ms. Lanier requested approval for two additional employees for the Member Services and Human Resources Divisions: one Hybrid Retirement Counselor and one Operations Trainer. The Hybrid Retirement Counselor position is critical to the Macon Satellite office to allow for extended days of operation which is crucial for our growing membership base. The Operations Trainer position will be responsible for performing complex course development and training of TRS operational staff. Dr. Fedrick made a motion to approve the two additional positions for the Member Services and Human Resources Divisions. Dr. Branch seconded the motion. The motion was unanimously adopted.

Item 4

Ms. Lanier presented the amended FY 2024 and proposed FY 2025 budgets. The FY 2024 amended budget reflects current assessment of needed resource increase of \$3,462,108 in order to achieve mission objectives. The recommended increase is primarily attributable to DIS merit increases, market adjustments and incentive payouts. In addition, new positions, a \$2,000 cost-of-living adjustment for all employees, potential annual leave payouts due to retirements and allowance for payout of 40 hour of annual leave per employee contribute to the increase. Costs also increased for for Contractual Services primarily for IT contractor staffing, Computer Charges for GTA-mandated cybersecurity tool and a customer relations management software implementation, Equipment for server replacements, and Publications and Printing and Postage for one-time costs pertaining to the PBI data breach. The FY 2025 budget reflects current assessment of needed resource increase of \$190,451 in order to achieve mission objects. Primary changes to FY 2025 budget are as follows: decreased costs for the following not needed in FY 2025: repairs and maintenance for one-time improvements to Macon office; publications, printing and postage for one-time costs for special notice regarding PBI data breach; and increased costs for equipment for server replacements, storage area network replacement and mail machine replacement. These enhancements will be included as the continuation budget for fiscal year 2025. Dr. Branch made a motion to adopt the amended FY 2024 budget and FY 2025 budget as presented. Mr. Dyer seconded the motion. The motion was unanimously adopted.

Item 5

Dr. Evans presented the 2022-2023 Georgia State Charitable Contributions Program Governor's Award. TRS has won this award for the fifth straight year raising a record breaking \$60,081.59.

Item 6

Ms. Simonds reviewed the process for the evaluation of the Executive Director.

There being no further business to discuss, Ms. Simonds thanked members and visitors for being present and adjourned the meeting at 11:45 a.m.


Deborah K. Simonds
Chair


L. C. Evans
Executive Director