BOARD MEMBERS PRESENT:	Frazier, Hamby, Johnson, Clark, Ingram, Hunt
BOARD MEMBERS ABSENT:	Jordan
EX-OFFICIO MEMBERS PRESENT:	Perry, Allison
EX-OFFICIO MEMBERS ABSENT:	Lackey
OTHERS PRESENT:	Waithe, Grayson

Chairman David Frazier called the meeting to order at 10:00 AM and served as the presiding officer.

REPORTS:

Second Quarter 2017 Investment Report
Consultant Jeff Swanson presented the report for the quarter ending June 30, 2017. In summary, the total portfolio (including Receipts and Disbursements) had a market value of $91,338,500 as of June 30, 2017. For the quarter, the fund's net withdrawals were -$620,004 and total investment gains were $3,003,573 for a total increase in value of $2,383,570 from the previous quarter end. The Plan was invested as follows: 67.1% in equities, 27.6% in bond/absolute return funds and 4.4% in real estate. The portfolio was up 3.4% for the June 30, 2017 quarter year end, 14.0% for the one year and 6.5% for the three year period. Highlights of the report were noted as follows:

- The cash flow had turned negative over the last few years.
- The market value of the Plan has been increasing nicely.
- Overall, this has been a positive investment experience.
- There was a 14.2% fiscal year return making this a net of fee return.
- The actuarial gain should have a favorable effect on the funded status of the Plan.
- The total fund report card indicated the Plan exceeded the target index for the fiscal year end making this an exceptional year.
- All fund managers were in good standing and had a favorable report card.

Upon inquiry from Chairman Frazier, Mr. Swanson commented on how the value of investments are measured.

Mr. Swanson commented on the real estate allocation with JP Morgan Strategic Property fund, noting the Plan's total fund value has grown significantly since its inception. Going forward, he felt the Board should be thoughtful in maintaining a minimum of 5% in the real estate asset class. He provided some information on the process to recommit to the JP Morgan real estate fund. The two fund types to consider when getting into the queue for rebalancing were the core fund (low risk) and the value added fund (more risky with more diversification). Upon inquiry, Mr. Swanson indicated the Board could ask JP Morgan to waive the minimum entry fee. He recommended maintaining the $4 million currently in the core fund and investing an additional $2 million in the Special Situation fund.

As a follow up to a previous inquiry, Mr. Swanson provided some information regarding the risks factors in the Plan. He commented on the methods used noting with real estate being added it should bring down the risk scores. Mr. Frazier commented on the assets being valued at cost but reflecting at market on the report making it appear as an equity allocation of almost 70%.

Mr. Frazier, stated with the new diversifications, the Board will need to be more aware of rebalancing to prevent issues during the downfall.

There was additional discussion regarding asset reallocation for real estate. Mr. Swanson recommended entering a non-binding positioning queue for the special situation fund. Mr. Frazier commented on the changes to the investment policy statement which would need to be considered when making the investment changes. Mr. Swanson proceeded with providing information related to the changes to the investment policy statement changes.

With the changes to the investment policy statement, Mr. Swanson recommended rebalancing $2 million from the Wells Fargo Growth fund to the PIMCO Investment Grade fund. He commented on the Plan being over-weighted in bonds and recommended disbursing benefit payments from the Wells Fargo Growth fund going forward to maintain balance.

With the approval of the Board, Mr. Swanson stated he would reach out to JP Morgan to begin the process of entering the queue for the Special Situation Fund. In the event the offer is accepted, consider inviting JP Morgan to the November meeting to make a presentation.

Motion to authorize consultant to proceed with contacting J.P. Morgan to begin the process for a $2 million investment in the Special Situation Fund and to be placed in the non-binding queue if accepted.

Motion made by Board Member Hunt
Motion seconded by Board Member Johnson
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Ingram, Hunt
Absent: Jordan

Motion to accept the consultant's recommendation to rebalance $2 million from the Wells Fargo Growth Fund to the PIMCO Investment Grade Fund and for future pension payments to be disbursed from the Wells Fargo Growth Fund.

Motion made by Board Member Hamby
Motion seconded by Board Member Hunt
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Ingram, Hunt
Absent: Jordan

NOTE: Board Member Danny Ingram left the meeting at 10:45 AM.

NEW BUSINESS:

Investment Policy Statement (IPS) Revision

Consultant Jeff Swanson reviewed the proposed changes citing the effective date would be June 30, 2017 noting the Plan's attorney was in agreement. He reviewed the recommended changes to the Investment Policy Statement to include the following four changes: 1) add a 5% target index for real estate; 2) benchmark name change from Barclays Aggregate to Bloomberg Barclays Aggregate; 3) change rebalancing ceiling from 65% to 70%; and 4) delete the acceptable ranges noted in the table.

Chairman David Frazier commented on the recommendations noting this information was to be presented at the June meeting but did not include all the recommendations.

Motion to adopt the revisions to the Investment Policy Statement as presented.

Motion made by Board Member Hunt
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt

Absent: Jordan, Ingram

Board Member Matt Hamby indicated the actuary changed the total absolute return from 7.5% to 7.25%; therefore this change needed to be reflected in the investment policy statement.

Motion to accept the consultant's recommendation to update the Investment Policy Statement to reflect the change in the absolute return objective from 7.5% to 7.25%.

Motion made by Board Member Hamby
Motion seconded by Board Member Johnson
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

Later in the meeting, Chairman Frazier reopened the IPS discussion. He stated the initial meeting of May 9, 2017 to review the revisions to the policy was canceled. The Plan had been operating under the guidelines of the revised policy making it important to clearly identify the effective date of the revisions as June 30, 2017.

Motion to approve the revised Investment Policy Statement with a retroactive effective date of June 30, 2017 for.

Motion made by Board Member Hunt
Motion seconded by Board Member Johnson
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

UPDATES:

Segal Actuarial Services Contract Extension

Chairman David Frazier provided an update regarding the one-year contract extension with Segal Actuarial Services noting the contract had been signed by the City Manager in accordance with the city's purchasing policy.

Board Member Matt Hamby stated there were plans to obtain contact information for other actuarial services and fees at the upcoming Georgia Association of Public Pension Trustees (GAPPT) conference.

Wells Fargo

Marsha Petzel, Vice President and Relationship Manager, distributed a handout referencing the Executive Summary for the Plan. She provided a brief overview of the information regarding the custodial services and key statistics for the Plan.

Ms. Petzel provided information regarding class action litigations and the process. She commented on discussions concerning class action litigations being handled by the previous custodian, Salem Trust. She felt the best and most cost effective option was to allow Salem Trust to continue to service the class action litigations related to investments held while they were the custodian of the Plan.

Ms. Petzel commented on the expected deceased monitoring report noting there were internal issues creating a problem with timely and correct reporting. They are currently in the process of conducting a new vendor search for this service. A follow up will be provided upon completion.

Ms. Petzel stated she planned to attend future meetings to provide quarterly updates.

NOTE: Board Member Matt Hamby left the meeting at 11:05 AM.

Class Action Litigation
Chairman David Frazier stated in light of the information presented by Marsha Petzel, Relationship Manager, he and Board Member Matt Hamby agreed and felt the best option was to accept the fee arrangement as proposed by Salem Trust to continue to process the class action litigations related to investments held when they were the custodian of the Plan.

> **Motion to accept the custodian's recommendation to accept the fee arrangement proposed by Salem Trust.**
>
> Motion made by Board Member Hunt
> Motion seconded by Board Member Johnson
> **Votes favoring the motion: Frazier, Johnson, Clark, Hunt**
> **Absent: Jordan, Ingram**

NOTE: Board Member Matt Hamby returned to the meeting at 11:10 AM.

Job Classification Listing
Administrative Services Director Janeann Allison provided the yearly update noting most of the changes were reclassifications and job title changes with very few new positions. A copy of the listing is provided for attachment with the minutes.

EXECUTIVE SESSION:

Chairman David Frazier requested an Executive Session to discuss personnel matters.

> **Motion to close the meeting to enter an Executive Session to discuss personnel matters at 11:14 AM.**
>
> Motion made by Board Member Hunt
> Motion seconded by Board Member Hamby
> **Votes favoring the motion: Frazier, Hamby, Clark, Johnson, Hunt**
> **Absent: Jordan, Ingram**

MEMBERS PRESENT:	Frazier, Hamby, Johnson, Clark, Hunt
MEMBERS ABSENT:	Jordan, Ingram
EX-OFFICIOS PRESENT:	Perry, Allison
EX-OFFICIOS ABSENT:	Lackey
OTHERS PRESENT:	Waithe, Grayson

> **Motion to close the Executive Session and to continue the meeting at 11:21 AM.**
>
> Motion made by Board Member Hamby
> Motion seconded by Board Member Hunt
> **Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt**
> **Absent: Jordan, Ingram**

REGULAR BUSINESS:

Executive Session Minutes: May 9, 2017 Meeting

Motion to approve the May 9, 2017 Executive Session minutes.

Motion made by Board Member Hamby
Motion seconded by Board Member Hunt
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

Retirements
Retirement and Benefits Manager Delores Waithe reported there were three new benefits, two deferred vested benefits, and two deaths since the last meeting. The report indicated the following:

Retiree Name		Type Benefit	Effective Date	Benefit Start Date	Spousal Option
1	Apt, David	Normal	04/27/2017	05/01/2017	N
2	Sullins, Carolyn	Normal	05/31/2017	06/01/2017	N
3	Holmes, Linda	Normal	05/31/2017	06/01/2017	N
4	Schrader, Daniel	Deferred	05/19/2017	TBD	TBD
5	Wetherford, Tina	Deferred	05/19/2017	TBD	TBD
6	Hamrick, Ruth	Deceased	05/07/2017	N/A	N/A
7	Abercrombie, James	Deceased	06/22/2017	N/A	N

Motion to approve the benefits report as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Hunt
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

Disbursements
Retirement and Benefits Manager Delores Waithe reported there were eleven (11) disbursements totaling $119,392.12 made to the following:

Employee Name		Department	Termination Date	Processed Distribution
1	Parker, William	Fire	04/21/2017	05/05/2017
2	Hogan, Jason	Police	04/26/2017	05/18/2017
3	Hogan, Matthew	Water Resources	05/05/2017	05/26/2017
4	Rangel, Manuel	Police	05/30/2017	06/15/2017
5	Kenerly, Kedrick	Fire	05/11/2017	06/29/2017
6	Couch, Caleb	Police	06/15/2017	06/29/2017
7	Mesgina, Solomon	Water Resources	06/27/2017	07/21/2017
8	Gamble, Alisha	Administrative Service	06/23/2017	07/24/2017
9	Parker, Cody	Police	07/06/2017	07/24/2017
10	Collier, Christopher	Water Resources	06/23/2017	0724/2017
11	Underwood, Sarah	Police	06/26/2017	07/25/2017

Motion to approve the disbursements/refunds as presented.

Motion made by Board Member Hunt
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

Minutes: May 9, 2017 RPA Board Meeting

Motion to approve the minutes accepting edits as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Clark
Votes favoring the motion: Frazier, Hamby, Johnson, Clark, Hunt
Absent: Jordan, Ingram

Annual Disability Benefit Recertifications
Chairman David Frazier stated there were three (3) individuals receiving disability benefits that did not have to recertify because they had reached normal retirement age. Deputy Clerk Alisa Grayson confirmed Michael Lee, James Passmore and Glenn Long were receiving disability benefits.

Rehire of Retiree(s)
Administrative Services Director Janeann Allison reported B.J. Rider was serving in a part-time capacity with the Municipal Court and Police Department. Chairman David Frazier stated this had been discussed and was consistent with the memorandum of understanding criteria. Upon inquiry from Board Member Johnson, Mrs. Allison confirmed Ms. Rider was working through a contractor during the period she was assisting the Human Resources Department.

Georgia Association of Public Pension Trustees (GAPPT) 2017 Conference
Deputy City Clerk Alisa Grayson shared information about the GAPPT 2017 conference scheduled for September 11 – 14, 2017 in St. Simons Island. The confirmed attendees were named. Travel authorization forms would be released after the meeting to secure signatures. They should be returned to the City Clerk's Office to finalize the arrangements and travel packets.

Chairman David Frazier shared some history about the Board's involvement with GAPPT. He commented on costs associated with attending the trainings and conferences noting there may be a need to consider changes regarding attendance at future training opportunities.

ADJOURNMENT: 11:30 AM

/ag

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David Frazier, Chairman

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Denise O. Jordan, Secretary to the Board