BOARD MEMBERS PRESENT:	David Frazier, Matt Hamby, Denise Jordan, Tommy Hunt, Danny Ingram
BOARD MEMBERS ABSENT:	Gary Clark, Margaret Johnson
EX-OFFICIO MEMBERS PRESENT:	Jeremy Perry
EX-OFFICIO MEMBERS ABSENT:	Bryan Lackey, Janeann Allison
OTHERS PRESENT:	Malichi Waterman, Jeff Swanson, Marsha Petzel, Kevin Hutcheson, Ed Emerson, Karen Rojas

Chairman David Frazier called the meeting to order at 10:01 AM and served as the presiding officer.

REPORTS:

Fiscal Year 2018 Actuarial Valuation
Actuary Malachi Waterman of Segal Consulting summarized the valuation report as follows:

- Segal Consulting strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Board meets this standard.
- The recommended contribution for the fiscal year ending June 30, 2019 is $8,934,682, an increase of $615,530 from last year. The contribution as a percentage of payroll increased from 33.96% of payroll to 35.17% of payroll, based on a 22.75-year level percent-of-payroll amortization of the unfunded actuarial accrued liability.
- City and employee contributions combined are 26.40% of payroll, which is 8.77% less than the recommended contribution. As stated above, for fiscal year-end 2020, the recommended contribution is $8,934,682. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law. The average period for the bases in the determination of the recommended contribution is 11.5 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 22.8 years. The longest amortization period currently allowed by state law is 30 years, and therefore the Plan is in compliance.
- Actual contributions made during the fiscal year ending June 30, 2018 were $6,419,248. In the prior fiscal year, actual contributions were $6,212,133.
- The employer normal cost is 11.76% of payroll and is fully covered by the 13.20% contribution rate. The effective amortization period for the unfunded actuarial accrued liability is 22.8 years.
- The actuarial gain/loss from investment and other experience is $4,361,401, or 2.95% of actuarial accrued liability.
- The rate of return on the market value of assets was 11.94% for the July 1, 2017 to June 30, 2018 plan year. The return on the actuarial value of assets was 7.47% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.25% in effect for the prior valuation. This actuarial investment gain decreased the recommended contribution rate by 0.07% of pay. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various classes, the Board lowered the expected investment return assumption to 7.00% for this valuation.
- The following actuarial assumptions were approved by the Board in October 2018 and changed with this valuation:
  - The investment return assumption was lowered from 7.25% to 7.00%.
  - The inflation assumption was lowered from 3.00% to 2.75%.
  - The payroll growth rate assumption was decreased from 3.00% to 2.75%.

  - The age-based salary scale assumption table was modified to reflect the decrease in the underlying inflation component to 2.75%.
  - The administrative expense assumption of $130,000 was increased to $190,000 for the year beginning July 1, 2018.

  As a result of these assumption changes, the employer normal cost increased by $107,084 and the actuarial accrued liability increased by $3,511,941. The total impact was an increase in the recommended contribution of $294,935, or 1.32% of payroll.
- The following method change is included for the first time in this valuation:
  - The actuarial asset method was modified to reflect a decrease in the smoothing period from ten years to five years as well as a reduction from 30% to 20% in the corridor around market value. The method change was implemented prospectively and the actuarial value of assets was set to market value this year.

  As a result of this method change, there was a decrease in the recommended contribution of $378,570, or 1.55% of payroll.

At Chairman Frazier's request, Vice Chairman Hamby will coordinate the actuary's presentation to City Council on December 13, 2018.

Third Quarter 2018 Investment Report
Consultant Jeff Swanson of Southeastern Advisory Services provided an overview of the performance analysis. The portfolio summary indicated: As of September 30, 2018, the Total Plan (including Receipts and Disbursements) had a market value of $103,727,500. For the quarter, the fund's net withdrawals were -$306,035 and total investment gains were $4,395,177 for a total increase in value of $4,394,872 from the previous quarter end. As of September 30, 2018, 65.2% of the Plan (including Receipts and Disbursements) was invested in equities, 27.7% in fixed income/absolute return funds and 6.2% in real estate. For the quarter ending September 30, 2018, the portfolio was up 4.4%. For the one year period, the portfolio was up 12.9% and for the three year period the portfolio was up 13.1%.

Other notable comments from the report were as follows:

- The Plan had a positive return for the quarter ending September 30, 2018 at 4.4%.
- The Plan is ranking strong and above average in comparison with other retirement plans. Good funding and careful selection of stock managers has been a key factor in the success of the retirement plan.
- All funds ranked above average and exceeded expectations in the last year.

Consultant Swanson recommends rebalancing $2 million into JP Morgan Strategic Property Fund and $1 million into JP Morgan Special Situation Fund.

Motion to accept SEAS Consultant's recommendation to rebalance $2 million into JP Morgan Strategic Property Fund and $1 million into JP Morgan Special Situation Fund.

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

Wells Fargo Quarterly Executive Summary
Marsha Petzel of Wells Fargo provided a periodic update, to include key statistics and success metrics as of September 30, 2018. She noted a change in staff, adding Rhonda Wilson as a Relationships Associate and confirmed the removal of Denise Jordan and BJ Rider as CEO portal users. Ms. Petzel

also commented on the decedent monitoring feature and the difficulties in finding a reliable agency since the Social Security Administration stopped assisting with the monitoring of deceased retirees.

ORGANIZATIONAL MEETING:

2019 Proposed RPA Board Meeting Calendar
Retirement Manager Karen Rojas presented a proposed calendar for 2019 RPA Board meetings.

Motion to adopt the proposed 2019 RPA Board Meeting Calendar setting meeting dates for the second Tuesday in each month at 10:00 AM, excluding January, March, and September.

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

NEW BUSINESS:

Proposal to Purchase Laptop Computer
Retirement Manager Karen Rojas requested approval to purchase a laptop computer for RPA use.

Motion to approve $2,000 to purchase a laptop computer for RPA Board Secretary use.

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

EXECUTIVE SESSION:

Personnel Matters
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 11:41 AM.

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

BOARD MEMBERS PRESENT:	David Frazier, Matt Hamby, Denise Jordan, Tommy Hunt, Danny Ingram
BOARD MEMBERS ABSENT:	Gary Clark and Margaret Johnson
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OTHERS PRESENT:	Ed Emerson and Karen Rojas

Motion to close the Executive Session and to continue the meeting at 11:43 AM.

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

REGULAR BUSINESS:

Disbursements
Retirement Manager Karen Rojas provided a report referencing 4 disbursements totaling $49,290.36. The disbursements were made to or on behalf of the following:

NAME	DEPARTMENT	TERMINATION DATE	PROCESSED
Morris, Janicia Carest	Police	10/04/2018	10/17/2018
Hassan, Essam M.	DWR	09/17/2018	10/29/2018
Dalton, Cody Ray	Police	07/02/2015	10/29/2018
Mitchell, Nicole M.	IT	09/20/2018	10/31/2018

Motion to accept the disbursement report as presented.

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

New Benefits Report
Retirement Manager Karen Rojas presented the report as follows:

RETIREE	BENEFIT	EFFECTIVE DATE	START DATE	SPOUSAL OPTION
Gee, Horace	Normal	09/21/2018	10/01/2018	No
Patterson, Jason Charles	Early	10/19/2018	11/01/2018	Yes (100%)

The two new benefits totaled $8,318.62. It was also noted that retiree Jerry Forrester passed away on 10/28/2018 and did not have a spousal option. Also, John Cotton, Olivia Cotton's spouse, passed away on 10/25/2018; report on Cotton was provided for informational purposes only.

Motion to approve the report as presented.

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

Minutes: October 9, 2018 Board Meeting

Motion to adopt the minutes accepting edits as present.

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

Executive Session Minutes: October 9, 2018 Meeting

Motion to adopt the minutes accepting edits as presented.

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

ADJOURNMENT: 11: 52 AM

/kr

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David Frazier, Chairman

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Karen Rojas, Secretary to the Board