AGENDA

Gainesville Retirement Plan A Board Meeting
Tuesday, December 11, 2018, 10:00 AM
Administration Building, Board Room
300 Henry Ward Way, 3rd Floor
Chairman or Vice Chairman Presides

NEW BUSINESS:

- RPA Retirement Benefit Calcualtion — Karen Rojas
- 2019 GAPPT Trustee School — Karen Rojas

OLD BUSINESS:

- 2019 Election Calendar — Karen Rojas

EXECUTIVE SESSION:

- Personnel Matters — Karen Rojas

REGULAR BUSINESS:

- Bona Fide Retirement — David Frazier
- New Disbursements Report — Karen Rojas
- Minutes: November 13, 2018 Meeting — Karen Rojas
- Executive Session Minutes: November 13, 2018 Meeting — Karen Rojas

ADJOURNMENT:

Final: Thursday, December 6, 2018, 4:30 PM

NEXT SCHEDULED MEETING
FEBRUARY 12, 2019, 10:00 AM

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: RPA Retirement Benefit Calcualtion

Meeting Date: 12/11/2018

Purpose of Request:
The purpose of this request is to present the Board an estimate from Segal Consulting for the review of, or if needed, to create a template for the purpose of calculating retirement estimates for employees hired after July 1, 2008.

History/Background:
A retirement benefit calculation template has been used for employees hired before July 1, 2008; however, the template available for employees hired on or after July 1, 2008 has a few flaws that prevent the Retirement Manager from obtaining accurate benefit calculations. BJ Rider, who previously worked on retirement estimates, suggested we seek Segal's assistance in creating a new template or reviewing the latest version of the retirement benefit calculation template available.

Facts & Issues for Consideration:
A City employee who currently became vested under plan A2 has requested an estimate and, due to the current flaws in the template available, the Retirement Manager is unable to complete the request at this moment. In the near future, we anticipate other newly vested employees will submit requests for retirement benefit estimates.

Department Recommendation:
Retirement Manager is seeking approval to have Segal review current template or, if needed, create a new retirement benefit calculation template.

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: 2019 GAPPT Trustee School

Meeting Date: 12/11/2018

Purpose of Request:
The purpose of this request is to provide information about the upcoming GAPPT (Georgia Association of Public Pension Trustees) training in Athens, GA scheduled for March 18 - 20, 2019 and to confirm who will attend.

History/Background:

Facts & Issues for Consideration:

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?
Yes

Amount Requested:

Source of Funds:
Retirement Plan A Fund

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
2019 GAPPT School Schedule	Backup Material

Georgia Association of Public Pension Trustees - Sixth Annual Trustee School

Monday, March 18, 2019

Session Time	Basic	Advanced	Continuing Education
9:00 am - 10:00 am	Basic and Advanced Course Registration and Breakfast		
10:00 am - 10:50 am	CPPT Program and Overview *(Title TBD)* (1B)	Ethics and Fiduciary Responsibility (1A)	
10:55 am - 11:45 am	Day in the Life of a Trustee (2B)	Creating an Effective Investment Policy Statement (2A)	
11:45 am - 12:00 pm	Morning Refreshment Break		
12:00 pm - 12:50 pm	Trustee Responsibility (3B)	Actuarial Assumptions and Their Impacts (3A)	Continuing Education Course Registration
12:45 pm - 1:45 pm	Lunch and Learn - Cyber Security Session *(Title TBD)*		
1:45 pm - 2:35 pm	Georgia State Law and Public Pensions (4B)	Building an Equity Portfolio (4A)	The Current State of the Capital Markets, the Fed Reserve, and the Impact of Interest Rate Changes (1CE)
2:40 pm - 3:30 pm	Plan Administration (5B)	Building a Bond Portfolio (5A)	A Conversation with Your Colleagues (2CE)
3:30 pm - 3:45 pm	Afternoon Refreshment Break		
3:45 pm - 4:35 pm	Pension Fundamentals (6B)	International Investment Options (6A)	Demographic Based Investing (3CE)
4:40 pm - 5:30 pm	Basics on Developing an Investment Policy Statement (7B)	Challenges and Opportunities in Alternative Investments (7A)	Actuary Session *(Title TBD)* (4CE)
5:30 pm - 6:30 pm	Cocktail Reception		
6:30 pm - 8:00 pm	Hospitality Room and Study Hall		

Tuesday, March 19, 2019			
Session Time	**Basic**	**Advanced**	**Continuing Education**
8:00 am - 9:00 am	**Breakfast**		
9:00 am - 9:50 am	**Your Actuary** (8B)	**A Survey of Capital Market Indexes, Their Construction and Maintenance** (8A)	**Current Legal Climate and Legislative Environment** (5CE)
9:55 am - 10:45 am	**Your Consultant** (9B)	**Manager Selection** (9A)	**The Role of Your Consultant - From a Manager's Prospective** (6CE)
10:45 am - 11:00 am	**Morning Refreshment Break**		
11:00 am - 11:50 am	**The Markets, The Exchanges, The Fed** (10B)	**Evaluating Manager Performance** (10A)	**ESG Session** *(Title TBD)* (7CE)
11:55 am - 12:45 pm	**Introduction to Stocks** (11B)	**Attributes of Rebalancing** (11A)	**Real Estate Investment: An Interactive Review** (8CE)
12:45 pm - 1:45 pm	**Lunch**		
1:45 pm - 2:35 pm	**Introduction to Bonds** (12B)	**Managing Risk** (12A)	**Growing Trends in Private Equity - The Secondary Market** (9CE)
2:40 pm - 3:30 pm	**Asset Allocation, Diversification, and**	**Finding Alpha** (13A)	**Securities Litigation Update** (10CE)
3:30 pm - 3:45 pm	**Afternoon Refreshment Break**		
3:45 pm - 4:35 pm	**Introduction to Alternatives** (14B)	**Participant Directed Plans: A Journey to the Past, Present, and Future** (14A)	**Small Cap Session** *(Title TBD)* (11CE)
4:40 pm - 5:30 pm	**Basic Course Review Session**	**Advanced Course Review Session**	**Stress Testing** (12CE)
5:30 pm - 6:30 pm	**Cocktail Reception**		
6:30 pm - 8:00 pm	**Hospitality Room and Study Hall**		

Wednesday, March 20, 2019			
Session Time	Basic	Advanced	Continuing Education
7:30 am - 9:30 am	Continental Breakfast		
8:00 am - 10:00 am	Basic Course Test	Advanced Course Test	
10:00 am - 11:00 am	Program Committee Trustee School Recap Meeting		

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: 2019 Election Calendar

Meeting Date: 12/11/2018

Purpose of Request:
The purpose of this request is to present an election calendar to address positions that will expire on February 22, 2019. RPA Board had previously approved an election calendar in the October 9th meeting; however, in the October 9th meeting amendments to the Plan Document and Elections Policy were also approved, thus making it necessary to update the previously approved calendar.

History/Background:

Facts & Issues for Consideration:
An election will be needed to address the following positions:

- All Employees Representative
- All Other Employees Representative
- Water Resources Representative
- Retirees Representative

Department Recommendation:
Accept the recommended calendar.

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?
No

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Proposed 2019 Election Calendar	Backup Material
Proposed 2019 Election Calendar - Revised	Backup Material

OPTIONS FOR
Retirement Plan A - 2019 Election Calendar

Terms Expire on 2/22/19

Tommy Hunt, All Employees Representative
Matt Hamby, All Other Employees Representative
Danny Ingram, Water Resources Representative
David Frazier, Retirees Representative

TASK	OPTION 1	OPTION 2	OPTION 3
Eligible voters	**12/20/2018**	**12/18/2018**	**12/17/2018**
Post election schedule	**12/31/2018**	**12/26/2018**	**12/20/2018**
First day for nominations	**01/04/2019**	**12/31/2018**	**12/26/2018**
Last day for nominations	**01/14/2019**	**01/09/2019**	**01/03/2019**
Letters identifying candidates	**01/17/2019**	**01/14/2019**	**01/07/2019**
Prepare ballots			
Prepare sign in registers			
Absentee Voting Period(10)	**1/22/2019-1/31/2019**	**01/19/2019-01/25/2019**	**01/10/2019-01/18/2019**
Advance Voting (*TBD) 1:30 PM to 3:30 PM	**01/29/2019**	**01/23/19**	**01/16/2019**
Election – (*TBD) 10:00 AM to 3:00 PM (2)	**01/31/2019**	**01/25/19**	**01/18/2019**
Run-off election			
Post Notice	**02/04/2019**	**01/29/2019**	**01/22/2019**
Absentee Voting	**02/07/2019 - 02/14/2019**	**02/4/2019 - 02/8/2019**	**01/25/2019 - 02/04/2019**
Advance Voting – (*TBD) 1:30 PM to 3:30 PM	**02/12/2019**	**02/06/2019**	**02/01/2019**
Run-off Election – (*TBD) Room 10:00 AM to 3:00 PM	**02/14/2019 *RPA Board meeting could be moved to 2/19/19 this month**	**02/08/2019**	**02/04/2019**

**Location To Be Determined*.

Dates to Consider: Meetings/training/conferences/PTO, Thanksgiving – November 22-23, 2018, Christmas – Dec. 25 – 26, 2018, New Year's Day – Jan. 1, 2019 , Martin Luther King Day – Jan. 21, 2019. *"Qualified participants shall be defined as those participants enrolled in Retirement Plan A prior to the first day of Absentee Voting. No one entering the Plan on or after the first day of Absentee Voting will be eligible to vote."*

OPTIONS FOR
Retirement Plan A - 2019 Election Calendar
REVISED12/10/2018

Terms Expire on 2/22/19

Tommy Hunt, All Employees Representative
Matt Hamby, All Other Employees Representative
Danny Ingram, Water Resources Representative
David Frazier, Retirees Representative

TASK	OPTION 1	OPTION 2	OPTION 3
Eligible voters	**12/20/2018**	**12/18/2018**	**12/17/2018**
Post election schedule	**12/31/2018**	**12/26/2018**	**12/20/2018**
First day for nominations	**01/04/2019**	**12/31/2018**	**12/26/2018**
Last day for nominations	**01/14/2019**	**01/09/2019**	**01/03/2019**
Letters identifying candidates	**01/17/2019**	**01/14/2019**	**01/07/2019**
Prepare ballots			
Prepare sign in registers			
Absentee Voting Period(10)	**1/22/2019-1/31/2019**	**01/19/2019-01/25/2019**	**01/10/2019-01/18/2019**
Advance Voting (*TBD) 1:30 PM to 3:30 PM	**01/29/2019**	**01/23/19**	**01/16/2019**
Election – (*TBD) 10:00 AM to 3:00 PM (2)	**01/31/2019**	**01/25/19**	**01/18/2019**
Run-off election			
Post Notice	**02/04/2019**	**01/29/2019**	**01/22/2019**
Absentee Voting	**02/07/2019 - 02/14/2019**	**02/4/2019 - 02/11/2019**	**01/25/2019 - 02/04/2019**
Advance Voting – (*TBD) 1:30 PM to 3:30 PM	**02/12/2019**	**02/06/2019**	**01/31/2019**
Run-off Election – (*TBD) Room 10:00 AM to 3:00 PM	**02/14/2019 *RPA Board meeting could be moved to 2/19/19 this month**	**02/11/2019**	**02/04/2019**

**Location To Be Determined*.

Dates to Consider: Meetings/training/conferences/PTO, Thanksgiving – November 22-23, 2018, Christmas – Dec. 25 – 26, 2018, New Year's Day – Jan. 1, 2019 , Martin Luther King Day – Jan. 21, 2019. *"Qualified participants shall be defined as those participants enrolled in Retirement Plan A prior to the first day of Absentee Voting. No one entering the Plan on or after the first day of Absentee Voting will be eligible to vote."*

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: Personnel Matters

Meeting Date: 12/11/2018

Purpose of Request:

History/Background:

Facts & Issues for Consideration:

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/23/2018

Presenter: David Frazier

Item of Business: Bona Fide Retirement

Meeting Date: 12/11/2018

Purpose of Request:
To have the Board consider whether to obtain a legal opinion on Bona Fide Retirement in relation to reemployment of retirees.

History/Background:
In the past the Plan Document was amended to allow reemployment of Retirees under certain circumstances. Since that time, some information has become available concerning reemployment of Retirees and IRS designation as a Qualified Plan.

Facts & Issues for Consideration:
In view of the additional information regarding this issue, it might be prudent to obtain a written opinion from the Plan's attorney to ensure that we are within IRS guidelines.

Department Recommendation:
Submit the question to the Plan Attorney.

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
Plan Document Sect. 6.05	Backup Material
Memo of Understanding Reemployment	Backup Material
GAPPT Article; Emerson	Backup Material

6.05 Reemployment After Pension Payments Commence: If, prior to Normal Retirement Date and after Pension payments have commenced, a Participant returns to employment with the Employer as an Employee or as an Ineligible Employee, Pension payments shall cease and the Pension payable upon the Participant's subsequent Retirement or death shall be reduced by the Actuarial Equivalent of any Pension payments he received prior to his Normal Retirement Date. If a former Participant who is receiving a Pension hereunder is reemployed as an Employee or as an Ineligible Employee on or after his Normal Retirement Date, Pension payments shall cease; provided, however, subject to the provisions of Section 5.07, upon the Participant's subsequent Retirement or death any Pension payable to him or on his behalf shall be equal to the Pension he was receiving upon his reemployment, plus the greater of (a) the Pension he was receiving upon his reemployment increased from the date of the last Pension payment to its Actuarial Equivalent as of the subsequent Pension commencement date, or (b) any additional Pension accrued under the provisions of Section 5.02 during his reemployment.

Notwithstanding the above, if a Participant who is receiving a Pension under the Plan returns to work for the Employer at least six months after Pension payments commence, in a part-time status in a Non Plan A position, such Participant shall not be required to cease payment of his Pension. Such part-time employment shall not be counted as Eligibility Service under the Plan and such Participant shall accrue no further benefits under the Plan during such part-time employment.

Memo of Understanding
Retirement Plan A Retiree Rehires

Intent: The Board's intent with this Memo of Understanding is to prohibit the rehire of a Plan A Retiree who would replace a Plan A Participant and therefore Plan A contributions to the Plan. The secondary intent to is to discourage early retirement (which is costly to the Plan) by prohibiting immediate rehire as a non-Participant.

A Plan A Retiree shall not be required to cease payment of their pension if rehired under the following circumstances:

1. A retiree may be rehired in a part-time non-plan A position if pension payments have been received for at least six months.

2. The City Manager may approve the rehire of a Retiree, with less than 6 months of receiving a Pension, for a part-time temporary position with work hours of 29 or under per week to fill a short-term Plan A or Plan B vacancy (up to 12 weeks) and/or to train a new Plan A or Plan B employee.

Required Notification to the Board: Prior to a Plan A retiree rehire, the Human Resources Office shall notify the Board Chairman and the Retirement Manager (the Board's Secretary). The Board's Chairman, within 3 business days, shall respond to the Human Resources Office with any questions or concerns. Such email notifications shall be retained in the employee and retiree file.

Such part-time employment by a rehired Retiree shall not be counted as Eligibility Service under the Plan and such Participant shall accrue no further benefits under the Plan during such part-time employment.

By: Janeann Allison, Director of Administrative Services

_____ Date: _____

By: David Frazier, RPA Board Chairman

_____ Date: _____

"Retired" But Not Retired: Trap for the Unwary for Retirement Plan Sponsors

Edmund Emerson III, Partner and Ryan Gorman, Associate
Morris, Manning & Martin LLP

As plan sponsors are aware, the Internal Revenue Code and retirement plan documents limit instances in which a participant can commence distribution of his or her plan benefit from a tax-qualified retirement plan. Generally, retirement plan benefits may only be provided upon retirement, the attainment of normal retirement age, death or disability. In most instances, determining whether such an event has occurred is cut-and-dry. However, retirement plan sponsors should be wary of any instance in which a participant "retires" but intends to continue to work for the employer or resume employment with the employer at a later date, or if the participant continues to be paid by the employer following such a "retirement."

As described below, these "sham" retirements or separations from service are not viewed by the Internal Revenue Service ("IRS") as bona fide terminations that justify a retirement plan distribution. Indeed, IRS formal and informal guidance over the last several years makes it clear that employers who approve such distributions may jeopardize the tax-qualified status of the retirement plan.

Background and IRS Enforcement

The regulations applicable to tax-qualified retirement plans provide that retirement benefits may not commence before a participant has completely left the service of an employer, unless the participant has attained normal retirement age (as defined by the plan) and the plan expressly permits in-service distributions after normal retirement age. In other words, in-service distributions prior to normal retirement age are prohibited. Case law dating back to the 1960's suggests that the IRS has historically been suspicious of participants who "retire" to commence their retirement benefits and subsequently return to work.

The IRS reiterated its position on "sham" retirements in a private letter ruling in 2011 that provided additional detail about what it means to "retire" for purposes of a tax-qualified retirement plan. As is often the case with the IRS, such an analysis depends on the facts and circumstances involved. Factors to consider in determining whether a "bona fide" termination has occurred include:

- Whether there is an understanding (explicit or implied) between the employee and employer that the employee is not separating from service, or that the employee would resume services in the future;
- The reasons for the employee terminating employment; and
- The time period between termination and rehire (typically, any period less than 6 months will be challenged by the IRS).

To be clear, this analysis would not apply to a participant who had attained normal retirement age, provided that the terms of the retirement plan in question permit in-service distributions after reaching normal retirement age. In such case, a participant could receive a distribution regardless of whether they were "retired" or separated from service.

Best Practices for Employers

Unfortunately, the IRS has declined to adopt any safe harbor in this area, such as a specified period of time following "retirement" in which a participant could return to work and not pose disqualification issues for the retirement plan in question. (Continued on Page 12)

Continued from Page 11 – **"Retired" But Not Retired: Trap for the Unwary for Retirement Plan Sponsors**

As a result, retirement plan sponsors are encouraged to be mindful of this issue by following best practices, which include:

- Requiring the retiring participant to certify that the participant and employer intend for the retirement to be permanent, and that the employee does not have a pre-existing intent or agreement to return to work with the employer in any capacity. If retirement benefits are paid in installments, the certification should make it clear that subsequent payments will be suspended upon reemployment. Copies of such certifications should be kept with the plan's permanent records.
- Imposing a minimum period of separation from service into the employer's policies or retirement plan document. For example, a policy could prohibit the rehire of a retiree within a specified period of time or the plan could require a specified period of time prior to treating a participant as "retired" (provided there is no understanding for reemployment at the time of separation).
- Prior to commencing payment of retirement benefits for participants who have not attained normal retirement age, confirming that individual is not receiving compensation ***of any type or amount*** from the employer.
- Incorporating into the employer's hiring process the ability to detect whether the employee was previously terminated or retired from the employer and/or is receiving retirement benefits.
- If particular facts and circumstances are unclear or complicated, consulting with outside legal counsel and documenting their opinion on the matter.

Although "sham" retirements to commence retirement benefits and the IRS's enforcement of this issue are nothing new, the prevalence of retirees re-entering the workforce in recent years (including those on reduced work schedules) exemplifies this issue as a potential trap for retirement plan sponsors. The risk of disqualification of a retirement plan is a serious matter, as are other potential IRS penalties if the issue is identified upon audit. Given these risks and the IRS's increased attention in recent years, retirement plan sponsors are urged to take precautionary measures and consult with experienced legal counsel with any questions. ~ *END*

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: New Disbursements Report

Meeting Date: 12/11/2018

Purpose of Request:
To provide a report of all disbursements since the last RPA Board Meeting and to seek the Board's approval of the disbursements as presented.

History/Background:

Facts & Issues for Consideration:
Disbursements processed as of 11/30/2018.

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
New Disbursements Report	Report

RETIREMENT PLAN A
DISBURSEMENT REPORT
December 11, 2018

	EMPLOYEE NAME	DEPARTMENT	DATE OF HIRE	TERMINATION DATE	DISTRIBUTION INFORMATION				
					DATE PROCESSED	CONT AMT	VESTED	DEATH BENEFIT	LUMP SUM ROLLOVER LUMP SUM/ROLLOVER
1	Webb, Gregory R.	PW - Traffic	08/21/2018	10/19/2018	11/27/2018		No	No	Lump Sum
2	Gordon, Deborah	PW - Streets	12/03/2012	10/11/2018	11/28/2018		No	No	Rollover
3									
	TOTAL					**$22,739.63**			

SPECIAL REPORTS

	RETIREE BENEFICIARY	DEPARTMENT	EFFECTIVE DATE	BENEFIT INFORMATION				SERVICE	
				TYPE	Amount	START DATE	SPOUSAL OPTION	TOTAL	CREDITED
1	Medlin, Mary Louise	Spousal Benefit	11/3/2018	Deseased		5/1/2007	100%		Ray S. Medlin - Retiree
2									
3									

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: Minutes: November 13, 2018 Meeting

Meeting Date: 12/11/2018

Purpose of Request:
The purpose of this request is to allow the Board to adopt the minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:
Draft minutes were distributed via email to the Board and Ex-Officio Members for comments/corrections.

Department Recommendation:
Adopt the minutes accepting edits as presented.

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?
No

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 12/5/2018

Presenter: Karen Rojas

Item of Business: Executive Session Minutes: November 13, 2018 Meeting

Meeting Date: 12/11/2018

Purpose of Request:
The purpose of this request is to allow the Board to approve the Executive Session minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:
Minutes of each Executive Session shall be maintained by the Secretary in accordance with the Open Meetings Act.

Department Recommendation:
Approve the minutes with edits as presented.

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments: