BOARD MEMBERS PRESENT: Frazier, Jordan, Hamby, Tarver, Gee, Clark
BOARD MEMBERS ABSENT: Ashby
EX-OFFICIO MEMBERS PRESENT: Marlowe, Rider
OTHERS PRESENT: Grayson, Serra,

Chairman David Frazier called the meeting to order at 2:09 PM and served as the presiding officer.

NOTE: Began utilizing the Agenda Meeting Management Software (AMMS) with this meeting.

OATH OF OFFICE:

Board Member Denise Jordan administered the Oath of Office to newly elected Board Members Horace Gee (All Employees Representative) and Gary Clark (Fire Representative).

REPORTS:

First Quarter 2015 Performance Report
Consultant Jeff Swanson, Southeastern Advisory Service, presented the quarter end report. The portfolio summary indicated as of March 31, 2015, the Total Plan (including Receipts & Disbursements) had a market value of $82,790,396. For the quarter, the fund's net withdrawals were -$519,933 and total gains were $1,579,845 for a total increase in value of $1,059,912 from the previous quarter end. As of March 31, 2015, 62.7% of the Plan (including Receipts & Disbursements) was invested in equities, 36.6% in bond funds, and 0.7% in cash equivalents. For the quarter, the portfolio was up 2.0%. For the one and three year periods ending March 31, the portfolio was up 7.1% and 8.9%.

Notable comments were as follows:

- The average annual return of 8.7% over the past five years versus the 7.5% target return and has resulted in significant actuarial gains.
- The use of mutual funds has been helpful to the Plan.
- The equity allocation is currently at 63% and is in compliance with the Georgia Code.
- A section pertaining to compliance with Georgia Code was added to the report.
- The Plan is currently approximately 65% funded. Once it becomes above 70% funded, more options in terms of diversification will be available.
- The Plan's total fund performance is trailing the Target Index and the Absolute Return and is in the top third of pension systems.
- All the fund managers, except for the Pennsylvania fund manager, have had a positive Morningstar rating noting the Blackrock fund manager had a good long-term track record and the PIMCO Total Return fund manager performance has stabilized.
- The Royce (Pennsylvania) fund is the only fund that didn't have a Morningstar rating. It also hasn't performed well and has been under review for a period of time.

Mr. Swanson recommended replacement of the Pennsylvania fund indicating he would provide available options at the next meeting to include a fund addition.

Upon inquiry from Chairman Frazier, Mr. Swanson stated he would provide a full review of the Blackrock fund at the next meeting as well.

Upon inquiry from Chief Financial Officer Melody Marlowe, Mr. Swanson commented on the broad diversification of the securities held by the fund managers.

Motion to accept the consultant's recommendation to place PIMCO Total Return fund in good standing and begin process of replacing the Pennsylvania fund.

Motion made by Board Member Jordan
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

2015 Mutual Fund Legislation
Consultant Jeff Swanson distributed a copy of the legislative action regarding mutual funds. The House Bill (HB 217) was signed on May 6, 2015 allowing public retirement systems to invest in mutual funds effective July 1, 2015.

NEW BUSINESS:

GASB 67 & 68 Funding Policy / Actuarial Funding Policy
Malachi Waterman, Segal, provided a brief overview of the proposed funding policy in relation to the Governmental Accounting Standards Board's passing of new standards. He indicated part of the process was to codify the Plan. He has been working with Chairman Frazier and the Administrative Services staff in preparation of the policy document. The main purpose was to record the funding objectives and set forth the policy by the Board to help ensure the systematic funding of future benefit payments to the Plan. In addition, it will also help project contributions. Mr. Waterman reviewed the goals and procedures as noted in the proposed policy.

Motion to adopt the Actuarial Funding Policy as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Tarver
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Upon inquiry, Chief Financial Officer Melody Marlowe stated the auditors felt the policy needed to be in place as of July 1, 2015.

Segal Supplemental Fee
Administrative Service Officer Alicia Serra stated the previous contract with Segal did not include the GASB 67/68 changes. As such, a supplemental agreement to include additional fees for Segal to provide the services to implement the new GASB rules was necessary. The fee structure indicated a fee of $12,000 for the first-year implementation and $5,000 for each subsequent year.

Chairman Frazier recalled rates had increased some since the first contract but was unsure as to the reason(s). There was discussion about other affects that may have caused the increases. Mr. Waterman stated he would confer with Actuary Rocky Jordan to confirm the increases.

Miss Serra stated there was a short time-frame to implement the changes to include the new reporting in the Comprehensive Annual Financial Reports by the end of this fiscal year.

There was some discussion surrounding the existing contract agreement and whether or not it allowed for the additional fees for work pursuant to the new GASB requirements. If so determined, the additional fees would be processed for payment provided the fees weren't already included in the fees currently being paid.

Motion to authorize the service agreement with the first year not to exceed $12,000 and subsequent years not to exceed $5,000.

Motion made by Board Member Hamby
Motion seconded by Board Member Tarver

DISCUSSION:

Upon inquiry from Board Member Gary Clark, there was discussion surrounding the total charges inclusive of the current contract amount in addition to the supplemental fees to be incurred.

Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Fiduciary Liability Insurance
Chairman Frazier stated the subject matter has come up at the GAPPT conferences and training. Several instructors have recommended and expressed the importance of retirement boards having liability insurance coverage. This was discussed with Risk Manager Juli Tomlin and she is in the process of discussing with the city's insurance broker. Upon gathering the information, she will provide feedback to the Board.

Chief Financial Officer Melody Marlowe stated there are other lines of coverage that the city has in place that protects to some level.

Board Member Training Policy
Chairman Frazier reviewed the proposed Board Member Training Policy indicating each board member shall receive a minimum of five hours of training per calendar year and each board member shall successfully complete the GAPPT Certified Public Pension Trustee Basic Course within three years of assuming their position.

There was some discussion regarding the RPA Board term limits being a factor in achieving the required training and certifications. There was also some discussion to change the language in Section II Item B to state "prior to the term expiration of the second year". It was stated this could potentially require some changes to the Plan document.

Chief Financial Officer Melody Marlowe inquired if the scope should include the Ex-Officio members. After a brief discussion it was suggested to leave as written.

Chairman Frazier provided a brief history in defense of the proposed policy.

Mrs. Marlowe recommended amending language in item III C to include phrase stating compensation governed by the City's travel policy.

Motion to adopt the Board Member Training Policy amending Section III C language to read as follows:

"Travel is governed by the City of Gainesville travel policy and reimbursement to board members shall be facilitated through the City of Gainesville Expense Report."

Motion made by Board Member Jordan
Motion seconded by Board Member Clark

Motion to amend the motion to include amending the language in Section II B and Section III C to read as follows:

"Each board member, prior to expiration of their second term as a board member, shall successfully complete the Georgia Association of Public Pension Trustees (or similarly recognized organization) Certified Public Pension Trustee Basic Course."

Motion made by Board Member Tarver
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Election of Board Members Policy
Chairman Frazier stated this policy establishes the current procedures and puts into the format of a policy. He indicated the only significant difference is the last section "M" to include a coin toss to break the tie. There was a brief discussion to clarify the process.

Motion to adopt the Election of Board Members Policy as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Tarver

DISCUSSION:

Board Member Denise Jordan stated there was a need to continue with the current practice of requesting assistance from board members during elections.

Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Disability Recertification
Board Member Denise Jordan reported there were five individuals receiving disability benefits. They were all over 60 years of age and based upon the Plan they were no longer required to submit a disability recertification and their benefit would continue.

HR Officer – Employee Services B. J. Rider inquired if they were still considered disability retirement or if they could be moved to normal retirement. Miss Rider and Mrs. Jordan would research and provide update.

UPDATES:

GAPPT Trustee School
It was reported the following individuals attended the Trustee School and completed the following:

- Certified Public Pension Trustee Certifications: David Frazier, Matt Hamby and Matt Tarver
- Successful Completion of Basic Course: Denise Jordan and Alicia Serra

Board Member Denise Jordan stated this information was noted in the Georgia Association of Public Pension Trustees (GAPPT) newsletter and shared with the Mayor and Council.

GAPPT Conference
Chairman Frazier stated the GAPPT conference was scheduled for September. Board Member Denise Jordan stated she needed firm commitments from those that planned to attend by the end of the week in order to complete the registration/reservation process. She indicated the conference dates were September 22 – 24, 2015. She reviewed the registration and travel process noting packets would be made available to take to the conference.

Goals
Chairman Frazier stated the goals for FY16 would be established at the November 2015 meeting. He provided a brief overview of the established goals. Notable comments were as follows:

- **Publish Newsletter** – Board Member Matt Hamby distributed a draft copy of the newsletter for review by the Board. Board Member Denise Jordan suggested listing Retirees names in the newsletters upon approval by the Board.
- **Achieve Actuarial Rate of Return of 7.5%** - Based on report provided by Custodian Jeff Swanson today, trailing a little behind the 7.5% but still possible.
- **Establish a Policy Manual** - Added three policies to the policy manual today. Board Member Denise Jordan will serve as custodian of policy manual. Will be made available on the "V" drive and the Retiree website for accessibility.
- **Four Board Members Complete GAPPT Basic Trustee Training** – Did not accomplish this goal.
- **Three Board Members Complete GAPPT Advanced Trustee Training** – This goal was accomplished.
- **Meeting Management Software** – Board Member Denise Jordan provided a brief update and asked for feedback in regards to issues/problems with the system. She stated a guideline manual would be forthcoming.
- **Establish Funding Policy** – This goal was accomplished today.

It was noted the Mid-Term and Long-Term goals were on going.

OLD BUSINESS:

Retirement Plan A Legal Services RFQ 2015
Board Member Matt Hamby provided a brief overview of the proposed Request for Proposal (RFP) for legal services noting vendor names were received from Custodian Jeff Swanson. He distributed a draft copy of the proposal that included some amendments.

Chairman Frazier stated the Board is currently using Patti Keesler with Benefits Law Group for legal services. He provided a short history of her services with the city. There was no formal process for this service done in the past. He felt it was necessary to review other options that may be available.

Upon inquiry, there was some discussion as to whether or not it was a requirement for the attorney to be licensed in the state of GA.

Mr. Hamby stated the vendor packets were ready and available for release on May 20, 2015.

Mr. Frazier stated he would inform Ms. Keesler of submission of the RFP.

Motion to proceed with submission of RFP for legal services.

Motion made by Board Member Jordan
Motion seconded by Board Member Gee
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

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 4:26 PM.

Motion made by Board Member Tarver
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

MEMBERS PRESENT:	Frazier, Jordan, Hamby, Tarver, Gee, Clark
MEMBERS ABSENT:	Ashby
EX-OFFICIOS PRESENT:	Marlowe, Rider
OTHERS PRESENT:	Grayson, Serra

Motion to close the Executive Session and to continue the meeting at 4:34 PM.

Motion made by Board Member Jordan
Motion seconded by Board Member Clark
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

REGULAR BUSINESS:

Retirements
HR Officer – Employee Services B. J. Rider reported there were four retirements since the last meeting totaling $10,221.15 per month. There were two vested retirements with benefit amounts to be approved by the Board at a later date.

Motion to approve the retirement benefits as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Jordan
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Disbursements
HR Officer – Employee Services B. J. Rider reported there was a total of eight refunds/disbursements totaling $113,192.40 since the last meeting.

Motion to approve the refunds as presented.

Motion made by Board Member Tarver
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Options to Repay Retirement Contributions
HR Officer – Employee Services B. J. Rider reported Herman Cronic had received a letter regarding options to repay contributions for prior eligible employment period from June 25, 1997 to June 28, 2002. Mr. Cronic has one year from his rehire date of December 22, 2014 to respond with a decision.

Minutes: February 11, 2015

Motion to approve the minutes accepting the edits as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Tarver
Votes favoring the motion: Frazier, Jordan, Hamby, Tarver, Gee, Clark
Absent: Ashby

Rehired Retirees
HR Officer – Employee Services B. J. Rider stated there were none to report this period.

OTHER BUSINESS:

RPA Board Commended
Chief Financial Officer Melody Marlowe announced former RPA Board Chairman Tim Collins stated the Board was doing a good job with the Plan. She stated she also had a meeting with former Police Chief Frank Hooper who also commended the Board on doing an excellent job.

ADJOURNMENT: 4:42 PM

/ag

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David Frazier, Chairman

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Denise O. Jordan, Secretary to the Board