BOARD MEMBERS PRESENT:	Frazier, Hamby, Jordan, Johnson, Gee, Ingram
BOARD MEMBERS ABSENT:	Clark
EX-OFFICIO MEMBERS PRESENT:	Allison (Interim), Rider
OTHERS PRESENT:	Page, Grayson, Council Member Brooks

Chairman David Frazier called the meeting to order at 2:00 PM and served as the presiding officer.

Board Member Denise Jordan welcomed Council Member Brooks to the meeting.

Board Member Denise Jordan commented on the use of a visual display to navigate through this meeting. She asked for feedback at the conclusion of the meeting to determine if this option would be beneficial for future meetings.

PRESENTATION(S):

Introduction of Real Estate Managers
Consultant, Jeff Swanson, Southeastern Advisory Services, commented on the interviews to be conducted noting there were three firms in attendance to provide presentations on their core real estate products. He provided a recap of the core real estate and commented on the reasons for consideration. Mr. Swanson stated he recommended a five percent allocation into the asset class. Upon conclusion of the presentations, he requested the Board rank the candidates as first, second and third when considering the choices to forward to the attorney for review.

American Core Realty Fund
Richelle Hayes and Jeff Miller, both Directors of Marketing and Client Service, represented American Realty Advisors. They shared information regarding the American Core Realty Fund product to include fund strategies, performance and investment structure and terms.

Chairman Frazier inquired about the ODCE and NCRERF index at which time Mr. Miller confirmed their performance benchmark is weighted against the ODCE index.

Upon inquiry, Mr. Miller shared the reason they currently do not have an entry queue.

Board Member Hamby inquired about the strategy used when the lease ratio is lower than expected or when there is an economic downturn at which time Mr. Miller commented on the strategies in place and the actions taken during the recent recession period.

Interim Chief Financial Officer Alicia Page inquired about future plans to expand in the south and other growth areas.

Upon inquiry from Board Member Horace Gee, Mr. Miller commented on the difference in the fair market and gross market values of the property owned.

Cornerstone Patriot Fund
Pamela McKoin, Business Development and Deb Schwartz, Portfolio Manager, represented the firm and presented the information to include fund strategies, performance and investment structure and terms.

Upon inquiry, it was noted the fund is 100% domestic focused.

Chairman Frazier inquired if there was a redemption queue during the recession at which time it was stated there was not. According to the charts, their dividends stayed steady.

Upon inquiry from Chairman Frazier, it was confirmed Patriot would act as fiduciary to the fund.

Principal Global Investors
David Brandt, Director, Institutional Marketing and Darren Kleis, Managing Director, Portfolio Management represented the firm and presented the information for the their Principal U.S. Property Account to include fund strategies, performance and investment structure and terms.

Upon inquiry, Mr. Kleis confirmed there currently was an entry queue with October as the earliest entry period for those in line today.

Chairman Frazier asked about the debt percentage at which time Mr. Kleis stated it was 22.4%.

Chairman Frazier inquired about the fund during the recession period.

Upon inquiry, Mr. Kleis commented on the process of dividend payouts.

It was confirmed the fund had an exit queue during the recession period with an approximate two and a half year time period.

Discussion of Presentations
Upon conclusion of the presentations, Mr. Swanson briefly discussed the ranking strategy with the Board.

Motion to accept the consultant's recommendation to invest $4 million in core real estate.

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

DISCUSSIONS:

There was a general discussion regarding the core real estate managers. Discussions included but were not limited to the differences in fees; debt to ratio; investment queues; average rate of return; dividend structures; fund performance; and entry/exit queues and waiting periods.

Upon inquiry, Mr. Swanson commented on how dividends would benefit the fund.

It was noted Principal was the only fund with a waiting period during the recession to exit the queue.

Cornerstones dividend remained steady during the recession.

Mrs. Page commented on the presenter for American Core Realty being on the GAPPT Advisory Board.

Chairman Frazier inquired about the income history of the managers at which time Mr. Swanson commented on the various differences between the fund managers.

In closing, Mr. Swanson stated, ultimately, all three firms were considered qualified managers.

Motion to enter into a contract with American Core Realty Fund pending review and approval by the Plan's Attorney with Principal Global Investors serving as the alternate.

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

Mr. Swanson stated, with the Board's permission, he will proceed with acquiring and forwarding the agreements to the Plan attorney for review and provide an update at the November meeting.

New Risk to Defined Benefit Plans and Assumed Rate of Return
Consultant Jeff Swanson, Southeastern Advisory Services (SEAS), provided a brief review of the research report noting this information was being presented to all SEAS clients. He commented on the increasing interest rates going forward and the negative impact on bond investments. He also commented on the risks of pension assumptions for the assumed rate of return being too high based on today's environment and indicated the assumed rate of return should be lowered. Mr. Swanson stated, overall, the purpose of the report was to provide an understanding of the environment and be aware of the risks.

Upon inquiry, there was a brief discussion concerning factors that could have an effect on the contributions to the Plan and the importance of discussing them with the actuary.

REPORT(S):

Second Quarter 2016 Performance Report
Consultant Jeff Swanson, Southeastern Advisory Services, briefly reviewed the report noting the Plan was doing very well. The portfolio summary indicated the following: As of June 30, 2016, the Total Plan (including Receipts & Disbursements) had a market value of $82,238,757. For the quarter, the fund's net withdrawals were $340,159 and the total investment gains were $2,480,897 from the previous quarter end. As of June 30, 2016, 63.9% of the Plan (including Receipts &Disbursements) was invested in equities and 34.8% in bond/absolute return funds. For the quarter ending June 30, 2016, the portfolio was up 3.1%. For the one year period, the portfolio was up 2.2% and for the three year period up 6.5%.

Mr. Swanson stated the Plan's Fiscal Year Return was above 2% and ranked number 18. He also stated all fund managers performed above average except PIMCO Total Return.

Upon inquiry from Chairman Frazier, Mr. Swanson commented on the PIMCO All Asset fund stating it had shown improvement and delivered a good return for the quarter.

Experience Study
Consulting Actuary Malichi Waterman, Segal, introduced Jody Martin, Senior Actuarial Analyst, noting she works with the data. He presented the results of the five-year experience study for period July 1, 2010 through June 30, 2015 noting demographic and economic assumptions were considered. He used a power point to supplement the report. As a point of clarification, it was noted the study included the data from 2015. Any action taken today will be reflected in the 2016 valuation.

The proposed demographic and economic assumption changes were noted as follows:

Mortality Rates:
- Post-Retirement Mortality
  - Update to 120% of RP-2014 Blue Collar Healthy Annuitant Tables, set forward two years for males only
- Pre-Retirement Mortality
  - Update to RP-2014 Employee Tables, no adjustment
- Disabled Life Mortality
  - Update to RP-2014 Disabled Retiree Table, no adjustment
- Update generational projection based on MP-2015 Scale for all lives

Turnover Rates:
- Individual tables based on participant group with new service-based table for Public Safety employees
- New rates extend through normal retirement

Disability Rates:
- Lower the assumed rates by 50%
- Duty Disability
  - Zero duty-related disabilities during the study period
  - With so few awards, there is limited data
  - Minor assumption
  - Recommend no changes to the duty disability assumption (100% Pre-7/1/2008 hires; 30% Post 7/1/2008 General Employees, 80% Post 7/1/2008 Public Safety Employees)

Retirement Rates:
- Continue using an age-based table
- Modified to reflect actual retirement patterns observed during the study period
- Maintained current rates in effect for Post 7/1/2008 hires

Spousal Assumptions
- Lower the assumed marriage percentage to 90%
- Set the spousal age to two years younger for male participants, and two years older for female participants

Inflation Rate:
- Lower the inflation component to 3.00%

Investment Rate of Return:
- Lower the rate from 7.50% to 7.25%
- 3.00% Inflation + 4.25% Real Rate of Return
- Assume that the return is net of investment fees only (account for administrative expenses separately)

Administrative Expenses:
- Set an explicit assumption of $130,000 in the year beginning July 1, 2016
- Review annually and adjust as necessary

Payroll Growth:
- Lower the assumption to 3.00%

Salary Scale:
- Maintain the service-based table
- Higher rates in the first couple years of service, followed by decreasing rates
- Ultimate rate of 3.00% after 30 years, as opposed to 4.00% after 16 years

Actuarial Asset Smoothing Method:
- Decrease the smoothing period from 10 years to 5 years (note: there was consensus for the smoothing period to remain at 10 years)
- Modify the corridor around market value to 20%

Upon inquiry from Human Resources Officer B. J. Rider, Mr. Waterman stated projected salary information was based on looking at the past five years. It was noted substantial payroll increases had occurred over the past two years due to a pay study which caused concern for how this will affect the experience study. There was some discussion about overall payroll growth and the impact after which Mr. Waterman stated he did not feel this would have an effect on the overall assumptions. He also stated the recommended payroll growth from 3.50% to 3.00% was based on projected inflation.

Upon inquiry, Mr. Waterman stated he did not feel there would be a need for an increase in the recommended contribution because credit balance funds are available.

There was discussion about the funding level and continuing to use the credit balance to offset this increase.

Board Member Denise Jordan confirmed need the new assumptions, if any, today to apply to the FY16 valuation report.

Chairman Frazier inquired about the advantage of changing the actuarial asset smoothing method from 10 years to 5 years at which time Mr. Waterman stated it was a more conservative approach. Mr. Frazier also confirmed the Board could change the actuarial assumptions before the numbers are final for the GASB (Governmental Accounting Standards Board) report.

Motion to accept the proposed changes as noted under Option 3 with proposed demographic and economic assumption changes with the exception of changing the Asset Smoothing Method from 10 years to 5 years.

Motion made by Board Member Hamby
Motioned died due to lack of second.

DISCUSSION:

Board Member Margaret Johnson inquired if a recommendation of percent of pay was necessary Chairman Frazier confirmed the actuary would provide the recommendation.

Majority vote to accept the recommended changes to the actuarial valuation based on the July 1, 2015 valuation results including proposed demographic and economic assumption changes with the exception of changing the Asset Smoothing Method from 10 years to 5 years.

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

Note: The Board adopted Option 3 from the Impact of Proposed Changes chart which accepts every recommendation except the smoothing method change.

NOTE: Alicia Page left the meeting at 5:20 PM

UPDATES:

Job Classification Listing

Human Resources Officer B. J. Rider stated this was an annual review of the job classification changes. She provided copies of the job classification listing along with a listing of the changes that had occurred since the last report. Ms. Rider reviewed the following three changes she felt were important to mention: 1) two part-time positions were created to replace the full-time HR Assistant position; 2) a part-time HR Assistant was reclassified to a full-time HR Assistant; and 3) inactivated one Laborer position in the Streets division and created an additional Construction Supervisor position which deleted a Plan B position and created an additional Plan A position. She stated there were no other crossovers between the Plans.

Fiduciary Liability Insurance

Chairman David Frazier stated information pertaining to fiduciary liability insurance was previously discussed at the May 11, 2016 board meeting. He provided an update noting additional research did not identify a better premium price from the previous quote of $16,619 for an $8 million premium coverage. He reminded everyone of the purpose of the insurance.

Board Member Matt Hamby inquired about the option for a higher coverage for the Plan.

Board Member Horace Gee commented on a scenario regarding a lawsuit and inquired about the coverage. There was some discussion regarding the protection under the insurance noting the city's liability insurance excludes this type of liability insurance.

Motion to purchase an $8 million premium plan for the Fiduciary Liability Insurance.

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

NEW BUSINESS:

Executive Session Minutes Policy

Chairman David Frazier presented the proposed policy regarding Executive Session minutes.

Motion to adopt the Executive Session Minutes Policy as presented.

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

Amendments to the Plan Document

Chairman David Frazier stated the Plan attorney requested to obtain a copy of the Plan Document in word format for future updating purposes. There will be a minimal cost to the Plan if/when this service is provided. Board Member Denise Jordan currently maintains the Plan Document. She commented on the change noting her only concern was the cost.

Motion to authorize Board Member Denise Jordan to forward an electronic copy of the Plan Document to the attorney to maintain as needed going forward.

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

OLD BUSINESS:

Amendment to Plan Document Regarding Tiers
Chairman David Frazier stated this was discussed at a previous meeting. He summarized the concern regarding how the Plan treats an ineligible employee who later becomes an employee under the new tier of Plan A.

Human Resources Officer B. J. Rider commented on the changes in the tiers and the intentions.

Chairman Frazier stated the attorney had provided an opinion. He reviewed the recommended amendment for consideration.

Motion to accept the Attorney's recommended amendments to the Plan Document and to present a resolution to the governing body to amend the Plan Document to clarify language related to the Plan's tiers.

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

The recommended amendment read as follows:

(vi) if the Employee had previously been an Ineligible Employee before becoming an eligible Employee, then the following rules shall apply, subject to the reemployment and transfer rules set forth in Sections 3.04(e) and 3.05(c):

(A) such individual shall become a Participant in the Plan under Section 3.01 as of the date he becomes an eligible Employee;

(B) if the individual becomes an eligible Employee before July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(a) and the individual's Accrued Benefit shall be determined based on the Normal Retirement Pension formula set forth in Section 5.01(a).

(C) if the individual becomes an eligible Employee on or after July 1, 2008, the individual's Normal Retirement Age shall be determined in accordance with Section 2.18(b) and the individual's Accrued Benefit shall be determined based upon the Normal Retirement Pension formula set forth in Section 5.01(b).

Mrs. Jordan commented on the timeline to take the resolution to the governing body, i.e., September 1, 2016 Work Session followed by September 6, 2016 Council Meeting.

Ms. Rider commented on the information to consider at the time of the status change.

EXECUTIVE SESSION:

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 5:51 PM.

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

MEMBERS PRESENT:	Frazier, Hamby, Jordan, Johnson, Gee, Ingram
MEMBERS ABSENT:	Clark
OTHERS PRESENT:	Allison, Rider, Grayson

Motion to close the Executive Session and to continue the meeting at 5:53 PM.

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

REGULAR BUSINESS:

Retirements

Human Resources Officer B. J. Rider reported there were six retirements, one deferred vested and one benefit that was discontinued due to death since the last meeting. The report indicated the following:

- Joseph Amerling retired with an early retirement benefit effective April 29, 2016 with a 50% spousal option. He began receiving a monthly benefit on May 1, 2016.
- Robert Luse retired with a normal retirement benefit effective May 31, 2016. He began receiving a monthly benefit on June 1, 2016.
- Kenneth Shields retired with a normal retirement benefit effective May 27, 2016 with a 50% spousal option. He began receiving a monthly benefit on June 1, 2016.
- Melody Marlowe retired with an early retirement benefit effective June 17, 2016. She began receiving a monthly benefit on July 1, 2016.
- Shawn Welsh retired with an early retirement benefit effective June 29, 2016 with a 50% spousal option. He began receiving a monthly benefit on July 1, 2016.
- Mak Yari retired with an early retirement benefit effective June 30, 2016. He began receiving a monthly benefit on July 1, 2016.
- Retiree Bobbie Ledford passed on April 29, 2016 with no spousal option.
- Joey Leverette left the plan on April 29, 2016 with a deferred vested retirement benefit. His monthly retirement benefit would begin on June 1, 2029 provided he doesn't withdraw his contributions from the Plan prior to.

Motion to approve the benefits report as presented.

Motion made by Board Member Hamby
Motion seconded by Board Member Johnson

Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Gee, Ingram
Absent: Clark

Disbursements
Human Resources Officer B. J. Rider reported there were twelve refunds/disbursements totaling $123,263.68 since the last meeting. Lump sum and/or rollover distributions were made on behalf of David Hatcher, Michael Manley, Lucas Coombs, Scotty Crawford, Danielle Dillard, John Wilkins III, Thomas Pass, Nerik Meister, Jake Dudley, Lynn McClure, Bruce Mitchell, and Bradley Hood.

Motion to approve the disbursements/refunds as presented.

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

Repayment of Contributions
Human Resources Officer B. J. Rider reported the following five options for repayment of contributions:

- Jill Graham repaid her retirement contributions for prior service period July 17, 2006 to March 21, 2013 time.
- Peter Bartholomew did not repay his contributions by the deadline for service period January 7, 2013 to August 10, 2014.
- A letter had been forwarded to Brian Buffington advising him of his option to repay contributions for prior employment period November 28, 1988 to August 13, 1999. His repayment deadline is March 15, 2017.
- A letter had been forwarded to Robert Scoville advising him of his option to repay contributions for prior employment period April 6, 2012 to June 1, 2015. His repayment deadline is June 29, 2017.
- A letter had been forwarded to Mark Adams advising him of his option to repay contributions for prior employment period June 7, 2004 to August 22, 2013. His repayment deadline is November 9, 2016.

There was a brief discussion on protocol to present this information in the future.

NOTE: Horace Gee left the meeting at 5:57 PM.

Rehires
Human Resources Officer B. J. Rider reported one rehire. Retiree Charles Newman was rehired as a part-time manager on-duty for the Frances Meadows Center. His rehire was within the guidelines of the Plan Document.

Minutes: May 11, 2016 RPA Board Meeting

Motion to approve the minutes accepting edits as presented.

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

2016 Proposed Election Calendar
Board Member Denise Jordan stated the proposed election calendar addressed the 2017 expiring positions for All Employees, All Other Employees, Water Resources and Retirees. Deputy City Clerk Alisa Grayson drafted and reviewed the calendar options for consideration.

Motion to adopt the Option 2 proposed Election Calendar as presented.

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

The election calendar was adopted as follows:

Post Election Schedule	9/13/16
Nomination Period	9/16/16 to 9/30/16
Announce Candidates	10/5/16
Absentee Voting Period	10/12/16 to 10/26/16
Advance Voting	10/24/16
Election Day	10/26/16
Post Run-off Election (if necessary)	11/2/16
Run-off Absentee Voting	11/7/16 to 11/16/16
Run-off Advance Voting	11/14/16
Run-off Election Day	11/16/16

Election Policy Update
Board Member Denise Jordan stated in conjunction with the election, an update to the election policy was in order. She discussed the suggested amendments.

There was discussion surrounding the amount of time to present picture identification for provisional ballots. Chairman Frazier felt one business day would be sufficient time.

Motion to accept changes as presented with exception of item b under Provisional Ballots to state the voter must present picture identification within one business day from closing the election.

Motion made by Board Member Hamby
Motion seconded by Board Member Ingram

DISCUSSION:

Mrs. Jordan requested clarification of “one business day” at which time Chairman Frazier indicated within twenty-four hours of normal business day for City Clerk’s office.

The motion was amended as follows:

Motion to accept the recommended changes to the Election Policy and to amend the proposed language under Provisional Ballots to require voters to present a picture identification within one business day from closing the election.

Motion made by Board Member Hamby
Motion seconded by Board Member Ingram

Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Ingram
Absent: Gee, Clark

2016 Goals Update
Chairman Frazier stated the goals were on track.

OTHER BUSINESS:

Future Meetings
Chairman David Frazier inquired about the Boards preference on future meetings with special presentations. There was consensus from the Board to hold separate meetings for special presentations in the future.

Meeting Set Up
Members provided feedback on the meeting set-up with the overhead visual display. Board Member Denise Jordan stated this was an alternative option as opposed to utilizing a device or bringing a hard copy.

Authorized Signer
Human Resources Director Janeann Allison commented on the need for an additional authorized signer to release payment to Wells Fargo. Currently, Chairman Frazier and Ex-Officio Member Alicia Page are the only two members authorized to release funds. Mrs. Allison is serving as Interim Ex-Officio member vacated by Melody Marlowe. Board Member Jordan stated she would begin the process of adding Mrs. Allison as an authorized signer.

ADJOURNMENT: 6:22 PM

/ag

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David Frazier, Chairman

____
Denise O. Jordan, Secretary to the Board