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

Vice Chairman Matt Hamby called the meeting to order at 2:23 PM and served as the presiding officer.

REPORTS:

Second Quarter 2015 Performance Report
Consultant Jeff Swanson, Southeastern Advisory Service, stated in addition to presenting the performance report, he was also prepared to discuss the two funds that were under review. The report, in summary, indicated as of June 30, 2015, the Total Plan (including Receipts & Disbursements) had a market value of $82,181,556. For the quarter, the fund's net withdrawals were -$238,573 and total investment losses were $327,195 for a total decrease in value of $565,768 from the previous quarter end. As of June 30, 2015, 63.3% of the Plan (including Receipts & Disbursements) was invested in equities, 35.7% in bond funds, and 1% in cash equivalents. For the quarter, the portfolio was down 0.4%. For the one and three year periods ending June 30, the portfolio was up 3.7% and 9.1%.

Highlights of the report were noted as follows:

- Net contributions have been trending down over the past five years.
- The Plan's fund has grown from $56 million to over $80 million over the past six years.
- The Plan may be entering a low return environment going forward if interest rates are increased.
- The Plan did not reach the 7.5% actuarial assumption for 2015.
- The Fiscal Year Return finished above average at 3.7%.
- There were nice actuarial gains since 2008 and 2010.
- The Plan had a market value of 64%.
- The BlackRock and Pennsylvania funds have performed below average.
- PIMCO Total Return and PIMCO Investment Grade funds have done well.

Upon inquiry, Mr. Swanson reviewed the PIMCO All Asset fund performance noting although it had a one year trailing on return, it has performed well over the long haul and he recommended continuing with this fund manager.

Mr. Swanson provided a brief review of the fund evaluations for the BlackRock and Pennsylvania fund. He stated although the performance evaluation for Blackrock indicated it had not met the Plan's performance policy criteria or the return expectations, it was now showing an improving trend. As such, he recommended retaining the BlackRock fund. The Pennsylvania fund hadn't delivered in the past few years nor have they made any corrective action towards their performance issues. As such, he recommended replacing the Pennsylvania fund.

Fund Review: BlackRock Equity Dividend/Pennsylvania
Consultant Jeff Swanson, Southeastern Advisory Service stated he was in favor of giving BlackRock a pass. He shared additional information surrounding the BlackRock fund to support his recommendation to retain this fund.

Mr. Swanson recommended replacing Pennsylvania with Vanguard Small Cap fund. He provided a brief overview of the Vanguard Small Cap fund noting this was a passive investment. It provided immediate diversification with a savings in fees. In terms of performance, it had a gold Morningstar rating with four stars. He felt this was a very efficient way to go in that it reduces the expense profile and was consistent with the Plan's growth.

In addition to his recommendation of a replacement for Pennsylvania, he also recommended the Vanguard 500 fund as an option to move to in the future. This fund has the same relationship as the small cap index. Mr. Swanson commented on the rationale of the recommendations noting efficiency should help the return going forward.

Vice Chairman Hamby inquired about fund rebalancing in the future.

Upon inquiry, Mr. Swanson indicated no immediate action was needed noting the purpose of the changes were to upgrade the diversifications and lower the fees.

Motion to accept the consultant's recommendation to replace Pennsylvania with Vanguard Small Cap and to add Vanguard 500 to the portfolio for rebalancing purposes.

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

In closing, Mr. Swanson stated the Plan had a good year overall and this was a nice upgrade to the Plan's portfolio.

Upon inquiry, Mr. Swanson shared his view of the assumptions going forward.

UPDATES:

Goals

Vice Chairman Matt Hamby provided a brief overview of the established goals.

Notable comments were as follows

- **Publish Newsletter** – Board Member Matt Hamby stated the Board is meeting this goal.
- **Achieve Actuarial Rate of Return of 7.5%** - Did not meet this goal for 2015.
- **Establish a Policy Manual** – Board Member Denise Jordan reported the Board had begun working on the manual. Several policies had been approved at a previous meeting. She is working on a separate location to allow members to access the manual electronically.
- **Four Board Members Complete GAPPT Basic Trustee Training** – Did not accomplish this goal due to transitions on the board.
- **Three Board Members Complete GAPPT Advanced Trustee Training** – This goal has been accomplished.
- **Meeting Management Software** – Board Member Denise Jordan stated this goal has been achieved. She welcomed feedback regarding the software system and acknowledged additional training was available as needed.
- **Establish Funding Policy** – This goal was accomplished at the previous meeting. Board Member Denise Jordan stated she would verify adoption of this policy..

It was noted the Mid-term and Long-term goals were progressing.

Board Member Denise Jordan reported she was working on the data for the actuarial report noting we were on track for the actuarial report to be provided at the scheduled November meeting.

Human Resources Officer B. J. Rider stated she was in the final stage of completing the census data to submit to the actuary for the benefit statements.

NEW BUSINESS:

Presentation of GAPPT Certifications

Several Board Members completed certifications through the Georgia Association of Public Pension Trustees (GAPPT). Certificates of Achievement for completion of the *Certified Public Pension Trustee Program's Basic Course* were presented to Denise Jordan and Alicia Serra. Plaques for Certificates of Achievement for completion of the *Certified Public Pension Trustee Program's Advance Course* were presented to Matt Tarver, Matt Hamby and David Frazier.

Recognizing that this was a great accomplishment, Board Member Denise Jordan asked the Board if they would like to consider scheduling the recognitions to be presented at a Council Meeting. She would reach out to GAPPT officials to request their attendance to present the certificates.

> **There was consensus from the Board to schedule presentation at a future Council Meeting.**

OLD BUSINESS:

Retirement Plan A Legal Services Award of Contract Resolution

Vice Chairman Hamby stated the proposed resolution to award the legal services contract was scheduled to be presented at the August 13, 2015 Work Session. After negotiation discussion with Ed Emerson, Morris, Manning & Martin, LLP, they agreed to reduce their cost to $425 per hour. There was also an agreement for him to attend two meetings. Mr. Hamby stated he would forward the acknowledgement/agreement letter for execution pending adoption of the resolution.

Board Member Denise Jordan stated upon adoption of the resolution, the attorney will be added to the Agenda Meeting and Management Software (AMMS) system to receive information.

Vice Chairman Hamby stated a letter with questions addressing the same-sex marriage issue had been drafted and submitted to Morris, Manning & Martin LLP of which a response was anticipated upon Council's adoption of the resolution.

EXECUTIVE SESSION:

Vice Chairman Matt Hamby requested an Executive Session to discuss personnel matters.

> **Motion to close the meeting to enter an Executive Session to discuss personnel matters at 3:21 PM.**
>
> Motion made by Board Member Tarver
> Motion seconded by Board Member Ashby
> **Votes favoring the motion: Hamby, Jordan, Tarver, Gee, Ashby, Clark**
> **Absent: Frazier**

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

Motion to close the Executive Session and to continue the meeting at 3:24 PM.

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

REGULAR BUSINESS:

Retirements
Human Resources Officer B. J. Rider reported one retirement and one death benefit since the last meeting. The report indicated the following:

- Michael Huckaby retired with a normal retirement benefit on June 30, 2015. He began receiving a monthly benefit on July 1, 2015.
- Retiree Henry Pinyan passed on April 28, 2015. Virginia Pinyan began receiving a spousal benefit on May 1, 2015. It was noted that Virginia Pinyan passed on May 23, 2015.

Motion to approve the retirement benefits as presented.

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

Disbursements
Human Resources Officer B. J. Rider reported there were thirteen refunds/disbursements totaling $116,663.70 since the last meeting. Lumps sum and/or rollover distributions were made on behalf of James Rawlston, Stephen Kuchenmeister, Daniel Perry, Enoch Smith, Jeffrey Hawley, Robert Scoville, Steven Folkers, Garcia Fleming, Heather Jewell, Brian Ferguson, Chelsea Laughlin, Seth Brown and Teffany Pierce.

Motion to approve the disbursements/refunds as presented.

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

Options to Repay Retirement Contributions
Human Resources Officer B. J. Rider reported Kirk Palmer's option to repay contributions for prior employment period January 27, 1997 to July 22, 2005 had expired.

Ms. Rider also reported letters regarding options to repay contributions for prior eligible employment time were sent to the following individuals:

- Peter Bartholomew (January 7, 2013 to August 10, 2014)
- Jill Graham (July 17, 2006 to March 21, 2013)

Minutes: May 13, 2015 RPA Board Meeting

Motion to approve the minutes accepting the edits as presented.

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

Minutes: July 17, 2015 RPA Board Called Meeting

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

ADJOURNMENT: 3:31 PM

/ag

David Frazier, Chairman

Denise O. Jordan, Secretary to the Board