BOARD MEMBERS PRESENT: Frazier, Hamby, Jordan, Johnson, Gee, Clark, Ingram
EX-OFFICIO MEMBERS PRESENT: Lackey, Perry, Allison
OTHERS PRESENT: Grayson

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

REPORTS:

FY2016 Actuarial Valuation

Consulting Actuary Malachi Waterman and Senior Actuarial Analyst Jody Martin of Segal Consulting presented the report. The report was summarized as follows:

- As of July 1, 2016, the Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).
- The recommended contribution increased from 30.88% of pay to 31.80% of pay. This increase is predominately due to experience losses for the year.
- Based on contributions of 26.40% of pay, the effective amortization period is 21.0 years, up slightly from 20.2 last year. **If the total contributions remain at 26.40% of payroll, the City's funding obligation will be met for the 2016-2017 fiscal year**.
- As of June 30, 2015, the Plan had accumulated a credit balance under Georgia funding standards of $1,079,439. The credit balance projected to fiscal year 2016-2017 may be used to offset any shortfall to the recommended contribution for that year. As of June 30, 2016, the credit balance projected for use in fiscal year 2017-2018 is $126,368.
- The actuarial value of assets used for funding reflects a ten-year smoothing of gains and losses.
- In August 2016, following the completion of a comprehensive five-year experience study by Segal Consulting, the Board approved modifications that included updating the mortality tables and mortality improvement scale used for generational projection, adjusting the retirement, turnover and disability rates, decreasing the investment return assumption, lowering the assumed inflation and salary scale, and other changes. The net impact of all of these new assumptions is a decrease in this year's recommended contribution of $68,879. The actuarial funded ratio decreased by 0.51%.
- The disclosures required for compliance with GASB Statement No. 67 Financial Reporting for Pension Plans, and Statement No. 68, Accounting and Financial Reporting for Pensions were released to the City's Finance Department on October 14, 2016.

Mr. Waterman reviewed the basis of the recommended contribution rate and commented on the assumption changes.

Mr. Waterman commented on the letter to Council and reviewed the projected future results.

Upon inquiry, Mr. Waterman commented on the credit balance and the concerns on how this would affect the valuation in the future once the credit balance has been exhausted. He indicated he would follow up with the Board at a future meeting on how this should be handled going forward. He did not feel there was a concern at this time and did not recommend any increase to the rate of contribution for employee or employer.

Motion to accept the FY2016 Actuarial Valuation Report and to maintain the contribution rates at the current levels.

Motion made by Board Member Hamby

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

Board Member Denise Jordan confirmed the actuary's availability to present the report to the City Council at the December 1, 2016 scheduled Work Session.

NOTE: City Manager Bryan Lackey joined the meeting at 2:23 PM.

Third Quarter 2016 Performance Report
Consultant Jeff Swanson, Southeastern Advisory Services, provided a brief overview of the report. He began by commenting on the goal to accomplish a 7.5% Fiscal Year Return every year noting the year-end cutoff has an impact on the actuarial studies. The portfolio summary was noted as follows:

- As of September 30, 2016, the Plan (including Receipts and Disbursements) had a market value of $84,648,410. For the quarter, the fund's net withdrawals were -$250,463 and total investment gains were $2,660,115 for a total increase in value of $2,409,652 from the previous quarter end.

Other notable comments were as follows:

- The September 2016 year-end return was over 12%.
- The Plan continues to maintain compliance with state law requirements by having less than 55% in cost basis in equities.
- All the fund managers performed well for the quarter with strong investment earnings. Investment earnings for the Total Fund totaled $2,660,103.

- The PIMCO All Asset fund manager is in good standing and no longer under review.

In closing, Mr. Swanson indicated it was a positive report.

Post Interview Discussion - J.P. Morgan Asset Management
Consultant Jeff Swanson, Southeastern Advisory Services, provided a brief history regarding the search to purchase core real estate products. Three firms were initially interviewed but were eliminated upon review by the Plan's attorney. Mr. Swanson contacted J.P. Morgan Asset Management to discuss the changes in the criteria at which time they agreed to lower the minimum allocation amount and would consider the reduced amount for Gainesville. The attorney has reviewed and approved J.P. Morgan's fund.

Upon inquiry from Chairman Frazier, Mr. Swanson stated he was recommending a $4 million allocation for a core real estate product noting the one consideration to date is valuation.

Mr. Swanson commented on the entry queue and confirmed the queue for J.P. Morgan was between one and two quarters. He also commented on the process to move forward once called from the queue noting at that time they would evaluate where to fund the money from.

Board Member Denise Jordan inquired about the process to move forward today at which time Mr. Swanson recommended the Board move forward with signing the documents and to determine the allocations when notification is received from the firm.

Motion to accept the consultant's recommendation to invest $4 million into J.P. Morgan Strategic Property Fund for core real estate.

Motion made by Board Member Gee

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

There was a brief discussion regarding the steps to proceed with acquiring the fund.

Mrs. Jordan stated she would forward the most recent adopted Investment Policy to Mr. Swanson.

UPDATES:

RPA Election
Deputy City Clerk Alisa Grayson provided an update regarding an election to address the positions to expire in January 2017. An election was held on October 26 to address the All Employees Representative position. No one received the majority vote. As such, a run-off election was scheduled for November 16th and the two candidates were Horace Gee and Tommy Hunt.

Board Member Margaret Johnson reported she received positive comments regarding the voting location being at the Fire Department Station 1. Board Member Denise Jordan stated space at the Public Safety Building was another option to be considered when available.

Board Member Gary Clark reported there had been some confusion in the Fire Department about the process for absentee ballots. Board Member Denise Jordan confirmed there had been a discussion with the Administrator for the Fire Department to provide some feedback.

NEW BUSINESS:

Ex-Officio Position – Previously held by B.J. Rider
Chairman David Frazier stated there was a need to address the vacant Ex-Officio position previously held by B.J. Rider. The Plan Document provides that the Board include three Ex-Officio Members with one being any member of City staff designated by the Board given the nature of their responsibilities. Administrative Services Director Janeann Allison indicated they were currently in the process of hiring for the vacant position.

Chairman Frazier recommended the Ex-Officio position be filled by the Administrative Services Director noting he felt this position was most involved as it relates to the administration of the Plan.

Motion to appoint the Administrative Services Director as an Ex-Officio Member.

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

Wells Fargo Authorized Signers
Board Member Denise Jordan presented the current in-house checklist and a draft updated checklist. The purpose of this request was to update the authorized signers and to address Wells Fargo documents to be submitted for processing. The Chairman, Administrative Services Director and Chief Financial Officer confirmed all was in order.

Motion to accept the revisions to the Authorized Signers Checklist to update the city's management positions and to update the title for the vacant position.

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

2017 RPA Organizational Meeting
Board Member Denise Jordan requested to reserve some dates in January 2017 to hold an Organizational Meeting to include election of officers, establishment of the meeting calendar and to address any other business as needed. She was unable to set the date at this time due to the need to work around the meetings to be set for the Council. Tentative dates for the Organizational Meeting were provided.

Motion to hold an Organizational Meeting in January 2017.

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

Chairman David Frazier stated the number of meetings in the year may increase. There was also a possibility of the day of the meetings changing.

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 3:11 PM.

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

MEMBERS PRESENT: Frazier, Hamby, Jordan, Johnson, Gee, Clark, Ingram
EX-OFFICIOS PRESENT: Lackey, Perry, Allison
OTHERS PRESENT: Grayson

Motion to close the Executive Session and to continue the meeting at 3:21 PM.

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

REGULAR BUSINESS:

Disbursements
Administrative Services Director Janeann Allison reported there were five refunds/disbursements totaling $64,852.09 since the last meeting. Lump sum and/or rollover distributions were made on behalf of Jordan Roberts, Lori Davenport-Cook, David Dooley, Nathan Dye, and Lee Grizzle.

Motion to approve the disbursements/refunds as presented.

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

Retirements
Administrative Services Director Janeann Allison reported there were six retirements and two survivor benefits since the last meeting. The report indicated the following:

- Kathleen Denny retired with a normal retirement benefit effective July 9, 2016 with a 100% spousal option. She began receiving a monthly benefit on August 1, 2016.
- Timothy Bollinger retired with a normal retirement benefit effective July 29, 2016. He began receiving a monthly benefit on August 1, 2016.
- William Duncan retired with a normal retirement benefit effective August 8, 2016 with a 50% spousal option. He began receiving a monthly benefit on September 1, 2016.
- Mary Kesler retired with a normal retirement benefit effective September 15, 2016. She began receiving a monthly benefit on October 1, 2016.
- William McKee retired with a normal retirement benefit effective September 24, 2016. He began receiving a monthly benefit on October 1, 2016.
- Gregory Leach retired with a normal retirement benefit effective September 30, 2016 with a 50% spousal option. He began receiving a monthly benefit on October 1, 2016.
- Retiree Therion Boyd passed on August 18, 2016 with a 50% spousal option. Vernelle Boyd began receiving a monthly spousal benefit on September 1, 2016.
- Retiree Kathleen Denny passed on September 20, 2016 with a 100% spousal option. Gordon Denny began receiving a monthly spousal benefit on October 1, 2016.

Motion to approve the benefits report as presented.

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

Option to Repay Retirement Contributions
Administrative Services Director Janeann Allison reported Robert Scoville repaid his retirement contributions for prior service period April 6, 2012 through June 1, 2015.

Rehires
Chairman David Frazier reported a Retirement Plan A retiree was rehired as a temporary part-time Human Resources Clerk for an approximate 12 week period. He stated there were concerns whether or not this rehire was within the guidelines of the Plan Document which generated a discussion with the Administrative Services Director and City Manager.

Administrative Services Director Janeann Allison presented a report surrounding the details of the rehire. She indicated there was no vacant Plan A position in the Human Resources department at the time of this particular rehire. She used a power point to supplement her discussion that referenced positions allocated for and what was available. She commented on the status of the HR Assistant position and indicated City Manager Bryan Lackey approved a 60 day temporary hire with an extension to November 21 in the absence of the HR Assistant.

City Manager Bryan Lackey provided a brief history of the provisions for temporary hiring allowances to address the need for temporary positions. This is handled on a case-by-case basis at the City Manager's

discretion. He understood the concerns of filling Plan A positions but also felt there were instances where critical needs to fill certain positions had to be addressed accordingly. He confirmed the position filled by the temporary hire of the Retirement Plan A retiree was not a Plan A position.

Mrs. Allison stated she also understood the Boards concerns' regarding rehires and commented on the circumstances surrounding this particular rehire.

Board Member Gary Clark commented on a situation that occurred in the Fire Department with a temporary staff that caused distressed.

Board Member Horace Gee confirmed a rehired retiree must have been retired for a minimum of six months.

Upon inquiry from Chairman Frazier, there was a brief discussion to determine whether or not this particular rehire was for a Plan A position. Board Member Matt Hamby commented stating he felt the hire was not to fill a Plan A position since the Plan A position was still paying into the Plan.

Motion to accept the report as presented.

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

City Manager Lackey stated it was a paramount goal to maintain a healthy and robust retirement plan.

Chairman Frazier stated a Memorandum of Understanding (MOU) was drafted to address the expectations of Retirement Plan A retiree rehires in the future. Copies of the draft document were distributed for review by the Board. He reviewed the MOU noting there was a provision for the Human Resources department to notify the Board's Chairman and the City Clerk of a potential rehire.

There was a discussion about a situation within a department were there were no qualified individuals to temporarily fill positions for absences occurring due to medical leave.

Chairman Frazier stated when passing the amendment to allow the rehire of Retirement Plan A retirees, the Actuary's review indicated it was important to include the two stipulations. Board Member Gary Clark stated the Fire Department's Plan does not allow a Fire Department retiree to be rehired to perform anything firefighter related.

There was further discussion on the proper language to include in the MOU and its intent. Mrs. Allison confirmed she would make the amendments to the document and forward a draft copy to the Board Members to review for discussion at the meeting in January. Chairman Frazier suggested moving forward with implementing the stipulations immediately until the MOU is in place.

Motion to request the Administrative Services Department to notify the Board Chairman and Secretary of potential rehires for a good faith opinion on the affects to the Plan.

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

Mr. Frazier reported retiree B.J. Rider was hired by Turner, Wood and Smith Insurance Carrier as a consultant to assist with the city's retirement matters until the position was filled.

Minutes: August 10, 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, Gee, Clark, Ingram

Goals Update
There was discussion regarding when the goals should be set and whether or not they should be set by calendar or fiscal year. Chairman Frazier stated annual goals will be discussed and established at the Organizational Meeting.

Chairman David Frazier reviewed the 2016 goals. Notable comments were as follows:

- Board Member Matt Hamby indicated the newsletters were now being emailed to the retirees.
- Board Member Denise Jordan indicated the policy manual was available on the "V" drive for employees. There was discussion to establish a Retirement Plan A page on the city's website for all Plan participates (including retirees) to access information.
- It was suggested to include the year when establishing the goals.
- The majority of the Short Term goals were achieved.
- The Mid Term and Long Term goals were ongoing.

OTHER BUSINESS:

Georgia Association of Public Pension Trustees (GAPPT)
Board Member Denise Jordan shared information regarding the upcoming 2017 training opportunities from GAPPT. The 4th Annual Trustee School will be held on March 20-22, 2017 in Macon and the 8th Annual GAPPT Conference will be held on September 11-14, 2017 in St. Simons Island. She asked all Board Members to save the dates and plan accordingly.

There was a brief discussion regarding the need to attend continuing education courses in order to maintain GAPPT certification.

ADJOURNMENT: 4:20 PM

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David Frazier, Chairman

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Denise O. Jordan, Secretary to the Board