BOARD MEMBERS PRESENT:	Frazier, Hamby, Jordan, Johnson (formerly Ashby), Gee, Clark
EX-OFFICIO MEMBERS PRESENT:	Marlowe, Rider
OTHERS PRESENT:	Page, Grayson
NOTE:	Department of Water Resources (formerly known as Public Utilities Department) Position was vacant

Chairman David Frazier called the meeting to order at 2:07 PM and served as the presiding officer.

REPORTS:

FY15 Actuarial Valuation
Actuary Malachi Waterman, Segal, presented the report. A summary of the report indicated the following:

- As of July 1, 2015, 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 30.22% of pay to 30.88% of pay. This increase is predominately due to experience losses for the year.
- As of June 30, 2015, the Plan had accumulated a credit balance under Georgia funding standards of $1,079,439. The credit balance may be used to offset any shortfall to the recommended contribution for the coming year. Therefore, if the total contributions remain at 26.40% of payroll, the City's funding obligation will be met for the 2015-2016 fiscal year.
- The net effective period for amortizing the unfunded actuarial accrued liability for the plan is 13.8 years as of the valuation date under the Plan's funding policy, down from 14.4 years in the prior valuation. Based on contributions of 26.40% of pay, the effective amortization period is 20.2 years, virtually unchanged from last year. Both periods are shorter than the maximum period allowed under Georgia state law and current GASB standards of 30 years.
- The actuarial value of assets used for funding reflects a ten-year smoothing of gains and losses. As of June 30, 2015, the actuarial value of assets was 101.4% of market value, and there is $1,175,362 in deferred investment losses that will be recognized in future years. Last year the actuarial value of assets was 98.3% of market value. The market value return for the year ended June 30, 2015 was 3.42%; the return on a smoothed actuarial basis was 6.71%. The assumed rate of return is 7.50%.
- Although the funded ratio for the plan decreased slightly from 65.10% to 64.76% this year on an actuarial basis, it is expected to gradually improve over time.
- Prior to the completion of the next valuation, an experience review will be performed for the five-year period ended June 30, 2015. This study will examine economic and demographic assumptions, along with the actuarial cost method and asset smoothing method. Recommended changes in actuarial assumptions and methods will be presented to the Board in the Spring of 2016.
- This year's report includes the accounting disclosures required for GASB Statement 67 and 68 reporting.

Other notable comments included the following:

- As of June 30, 2015 the Plan had a market value return of 3.4% versus the expected 7.5%. The various gains and losses were due to changes in demographics.
- GASB 67 and 68 reporting for fiscal year 2016, although not required, was included in this report.

Upon inquiry, there was a brief discussion regarding the upcoming experience review. Mr. Waterman stated an engagement letter for the review would be forthcoming as well as an invoice for the GASB services.

Chief Financial Officer Melody Marlowe expressed concerns regarding the Actuarial Assumed Rate of Return versus the Long-Term Expected Real Rate of Return as noted in the report.

Mr. Frazier inquired about the number of vested terminated participants in the Plan at which time it was indicated this figure included non-vested terminated participants with contributions remaining in the Plan.

Mrs. Marlowe confirmed the current calculation of 30.88% contribution rate, credit balance and amortization period were in line with state requirements.

Mr. Waterman confirmed attendance at the December 10th work session to present the information to Council.

Mr. Waterman stated sample benefit statements would be forwarded to Ms. Rider's review sometime before Thanksgiving and anticipated having them ready by Christmas.

Third Quarter 2015 Performance Report
Custodian Jeff Swanson, Southeastern Advisory Services (SEAS), presented the report. In summary, as of September 30, 2015, the Total Plan (including Receipts & Disbursements) had a market value of $76,626,910. For the quarter, the fund's net withdrawals were $706,486 and total investment losses were $4,848,161 for a total decrease in value of $5,554,647 from the previous quarter end. As of September 30, 2015, 63.1% of the Plan (including Receipts & Disbursements) was invested in equities and 36.9% in bond funds. For the quarter ending September 30, 2015, the portfolio was down 5.9%. For the one year period, the portfolio was down 1.6% and for the three year period the portfolio was up 5.4%.

Highlights from the report included the following:

- The equity market saw a significant correction during the September quarter. However, there was a nice rebound in October.
- The Plan's total assets were above $81 million as of today.
- The cost value increased from 47 to 50 as of September 30, 2015.
- All funds were performing in acceptable range except for the PIMCO All Asset fund.
-
- All managers were in good standing with the exception of Blackrock and PIMCO All Asset.

Mr. Swanson confirmed the Morningstar ratings are updated and published daily.

Upon Chairman Frazier's request, Mr. Swanson shared details surrounding the asset allocation strategy, the different classifications, and the benefit of diversification. Ultimately, the strategy is in crafting an asset allocation to aid in getting the Plan to 7.5% return. He stated the Plan was broadly diversified in using the mutual funds approach.

Rebalancing Recommendation:
Custodian Jeff Swanson, SEAS, stated two new funds were identified last year as a possible rebalancing target. He recommended rebalancing or initiating a position in the S&P 500 fund to increase the passive participation in the Plan. His recommendation was to transfer $1 million from Blackrock and $1 million from T. Rowe Price to the S&P 500. He commented on the benefits of the rebalancing noting this would bring the expense profile of the total fund down. He reviewed the Morningstar reports for the recommended funds.

Motion to accept the consultant's recommendation to transfer $1 million from Blackrock and $1 million from T. Rowe Price to purchase shares in the S&P 500 Index Admiral.

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

Mr. Swanson indicated he would forward the applicable documents to Board Member Denise Jordan for processing.

Proposed Changes to Investment Policy Document
Mr. Swanson commented on a future project to propose changes to the Investment Policy document. The proposed changes would allow for more flexibility in performing. After discussion, Chairman Frazier suggested Mr. Swanson draft a document with the proposed changes to present to the Board at the February 2016 meeting after which the information would be shared with the Plan's attorney for review.

Upon request, Mr. Swanson indicated he would draft the investment policy document in the same format as the policy manual for future inclusion.

Chief Financial Officer Melody Marlowe inquired of other Plans that are invested in real estate.

NOTE: Board Member Horace Gee left the meeting at 3:37 PM.

EXECUTIVE SESSION:

Personnel

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 3:38 PM.

Motion made by Board Member Hamby
Motion seconded by Board Member Jordan
Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Clark
Absent: Gee
Vacant: Department of Water Resources Representative

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

Motion to close the Executive Session and to continue the meeting at 3:41 PM.

Motion made by Board Member Clark
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Clark
Absent: Gee
Vacant: Department of Water Resources Representative

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:

- Virge Mull retired with a normal retirement benefit on August 28, 2015. He began receiving a monthly benefit on September 1, 2015.
- Retiree James McNeal passed on August 20, 2015 with no spousal option.
- Stan Aiken left the Plan on August 20, 2015 with a vested retirement benefit.

Motion to approve the retirement benefits as presented.

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

Disbursements

Human Resources Officer B. J. Rider reported there were nine refunds/disbursements totaling $221,934.91 since the last meeting. Lump sum and/or rollover distributions were made on behalf of William Beard, Hope Mann, Markece Robertson, Gregory Freeman, Kelly Olson, Suzannah Eubanks, Teresa Botts, Jeffery Page, and Jonathan Davis.

Motion to approve the disbursements/refunds as presented.

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

Options to Repay Retirement Contributions

Human Resources Officer B. J. Rider reported one option to repay contributions for prior employment period November 26, 2012 through September 18, 2014 was issued to Christopher Campbell. This request for reinstatement will lapse on June 19, 2016.

Rehire Report

Human Resources Officer B. J. Rider reported one rehire. Vince Evans, retiree since 2012, returned as a part-time employee with the Frances Meadows Center.

UPDATE:

Amendment to Plan Document Regarding Obergefell v. Hodges Decision (Same-Sex Marriage)

Chairman David Frazier provided an update regarding the same-sex marriage issue. A resolution was recently approved to carry out the changes. There was some media coverage regarding the subject matter. A letter, advising of the amendments to the Plan document concerning same-sex marriage, was mailed out to all retirees. Mr. Frazier reviewed the changes to the Plan.

Mr. Frazier reported receipt of an invoice from the attorney for services rendered in the amount of $8,400. He was hopeful, this will conclude the matter.

Mr. Frazier shared an email received from the Plan's attorney indicating the updated IRS regulations had been released but did not address any retro activity. He felt the Plan was in good condition.

Upon inquiry, Mr. Frazier confirmed the changes only affected the Joint & Survivor option and the medical insurance for Plan A retirees.

EXECUTIVE SESSION:

Chairman Frazier requested an executive session to discuss personnel matters.

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 3:53 PM.

Motion made by Board Member Hamby
Motion seconded by Board Member Johnson
Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Clark
Absent: Gee
Vacant: Department of Water Resources Representative

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

Motion to close the Executive Session and to continue the meeting at 3:59 PM.

Motion made by Board Member Johnson
Motion seconded by Board Member Hamby
Votes favoring the motion: Frazier, Hamby, Jordan, Johnson, Clark
Absent: Gee
Vacant: Department of Water Resources Representative

NOTE: B.J. Rider left the meeting at 4:01 PM.

NEW BUSINESS:

2015 RPA Special Election

Board Member Denise Jordan provided an update regarding the recent special election indicating it was prompted by a change in Matt Tarver's position. A regular election to address the 2016 expiring terms for the Fire and Police representative positions was held in conjunction with the special election. The Fire and Police representatives remained the same (i.e., Gary Clark – Fire Representative and Margaret Johnson – Police Representative). The DWR special election required a run-off election between Danny Ingram and Tina Wetherford. Mrs. Jordan stated she had prepared a draft schedule for assistance with the run-off election. She indicated the location for advance voting was at the Fire Station 1 on Monday, November 16th.

2016 Proposed Meeting Calendar
Board Member Denise Jordan shared the proposed meeting calendar. A deadlines calendar was also provided to meet deadlines as needed with the transition to the automated meeting software system.

Motion to adopt the proposed 2016 meeting calendar with the dates of February 11, 2015; May 13, 2015; August 12, 2015; and November 11, 2015 as presented.

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

GAPPT Training Conference
Chairman David Frazier shared information surrounding the upcoming Georgia Association of Public Pension Trustees (GAPPT) training conference scheduled for March 21 – 23, 2016 in Macon. It was requested for commitments to be forwarded to Mrs. Jordan by the end of November for purposes of making the arrangements. The following Board Members confirmed their attendance: Johnson, Page, Frazier, and Hamby.

2016 Goals
Chairman Frazier provided a brief overview of the 2015 goals indicating the Mid Term and Long Term goals would carry over to the new fiscal year goals. The following goals were discussed for the 2016 fiscal year:

- Continue with current short term goals #1 and #2.
    - Publish a newsletter each quarter.
    - Achieve Actuarial Rate of Return of 7.5%.
- Have Policy Manual converted to electronic with accessibility by employees and retirees.
- Have three (3) board members achieve Basic GAPPT Certification.
- Have two (2) board members complete GAPPT Advanced Certification training.
- Have one (1) in-house training session.
- Complete a minimum of three (3) policies and add to manual.

Mr. Frazier stated he will prepare and submit the new 2016 goals as discussed.

REGULAR BUSINESS (continued):

Minutes: August 12, 2015 RPA Board Meeting

Motion to approve the minutes accepting the edits as presented.

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

Minutes: **September 3, 2015 RPA Board Called Meeting**

Motion to approve the minutes accepting the edits as presented.

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

OTHER BUSINESS:

Presentation of GAPPT Certifications
Board Member Matt Hamby presented Alicia Page with a GAPPT Certificate of Completion for Basic Course and presented David Frazier with a Certified Public Pension Trustee Certification. It was recommended Matt Hamby, as a GAPPT representative, present certifications to individuals at a future Council meeting. A meeting date was to be determined.

Appreciation to Board
Chairman Frazier extended compliments to the Board for their hard work. Chief Financial Officer Marlowe seconded Mr. Frazier's comments and extended her appreciation as well.

ADJOURNMENT: **4:31 PM**

/ag

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David Frazier, Chairman

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Denise O. Jordan, Secretary to the Board