

**MINUTES OF AUGUST 14, 2014 RETIREMENT BOARD  
CITY OF ALEXANDRIA  
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN  
INTERIM MEETING**

**PRESENT**

<u>Members</u>	<u>Others</u>
Nelsie Birch (Management)	Bryan Capelli, Retirement Specialist
Michael Cross, <sup>2</sup> Secretary, (Fire)	Kadira Coley, Acting Retirement Administrator
Patrick Evans <sup>1</sup> (Fire)	Arthur Lynch, Retirement Specialist
Tom Gates, <sup>3</sup> Chairman, (Management)	
Rick Muse <sup>3</sup> (Fire, Alternate)	
Al Tierney <sup>2</sup> (Police)	
Laura Triggs <sup>3</sup> (Management)	

Absent:

Jean Kelleher <sup>2</sup> (Management)  
Shirl Mammarella <sup>3</sup> (Police, Alternate)  
Ed Milner <sup>1</sup> (Police)

Terms: 1/1/2014 – 12/31/2015

<sup>1</sup>Purchase of Service Credit Committee

<sup>2</sup>Technical Corrections and Plan Document Review Committee

<sup>3</sup>Vendor & Service Provider

**CALL TO ORDER**

Mr. Gates called the meeting to order at 8:35 AM on August 14, 2014.

**MEETING RECORD**

Ms. Triggs made a motion to

Approve the June 16, 2014 minutes.
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Mr. Tierney seconded the motion. The motion was unanimously approved (5 – 0).

Mr. Cross arrived at 8:40 AM

**ADMINISTRATOR’S REPORTS**

**Regular Investment Reports**

No rebalancing was required.

**Private Equity**

Hamilton Lane Fund II, Fund VII & Fund VIII had a distribution since the previous meeting.

A trustee noted that our commitment to HL Fund II is nearing its end and inquired if we need to look into additional private equity investments. Staff will have the investment consultant address this concern at the September Board Meeting.

#### Real Estate

A distribution occurred on June 30<sup>th</sup> that was reinvested per the motion passed at the March 2014 meeting.

A trustee inquired about the City's real estate returns in relation to the rest of the market. This item will be added to the follow up list and address at the September due diligence meeting.

#### Timber

A distribution occurred on June 27<sup>th</sup>.

#### Other Items

##### Follow-up Items

- Risk Article by John Bogle – this article was provided by Barry Bryant. He has asked that Board members read through the article and he will follow up or answer questions at the September meeting.
- Disability re-certification – Ms. Triggs noted that work has begun on this process. She will bring an update at a future meeting.
- Staff noted that they will attempt to bring an update to the PIMCO holding and breakdown of ICMA-RC asset allocation to the meeting in September.

#### Education: conferences, seminars and training

##### Wharton Class – International Investment

Mr. Cross attended the class on international investing. He noted the focus was on international and emerging markets and only included brief discussions on frontier markets. The instructors of the class noted that international markets are becoming more correlated to US markets. Emerging markets are also becoming more correlated to US markets but not so overly correlated and it is still worth taking the risk to invest in them. Mr. Cross noted that during the class a recommended range of exposure to emerging markets is 5% to 8% based on current level of correlation. As the level correlation increases funds may need to decrease their exposure.

Mr. Cross noted that the class was helpful in understanding the investment managers when they come to present to Board. He also recommended the class to other members and possible speakers to present to the Board.

## **COMMITTEE REPORTS**

#### Technical Corrections and Plan Document Review Committee

The committee (Mr. Cross, Ms. Kelleher & Mr. Tierney) met and discussed the items that were recommended to the committee at the March 13<sup>th</sup> Board meeting. A group of plan amendments [exhibit 3(a)(i)] was compiled by Ken Hoffman and reviewed by the committee. Staff walked through each of the proposed amendments.

The committee noted that because of summer schedules they had not had a chance to hold a final meeting to review the final amendment package would like an opportunity to review the proposed amendments as group one last time. The proposed amendments will be brought back to a future meeting before being recommended to City Council.

Staff noted that all changes needed for the IRS determination were included in the January 1, 2014 plan restatement.

Purchase of Service Credit Committee

No report was given.

Vendor & Service Provider Review Committee

No report was given.

**OLD BUSINESS**

Elections

Four positions will be open for elections this year (Firefighter Representative, Firefighter Alternate, Police Officer Representative, and Police Officer Alternate). Three elections are uncontested. Ballots for the contested election have been mailed out.

**NEW BUSINESS**

None.

**NEXT MEETINGS**

1. Thursday - September 11<sup>th</sup> at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
2. Thursday - October 9<sup>th</sup> at 8:30 AM, Sister Cities 1101, Interim Meeting
3. Thursday - November 13<sup>th</sup> at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
4. Thursday - December 11<sup>th</sup> at 8:30 AM, Sister Cities 1101, Interim Meeting

**ADJOURNMENT**

The meeting adjourned at 9:15 AM.

**HANDOUTS**

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting - June 2014 [1(a)]
Monthly Investment & Rebalancing Report [2(a)(i)]
Private Equity Cash Flows Report [2(a)(iii)]
Real Estate Cash Flows [2(a)(iv)]
Timber Cash Flows [2(a)(v)]
Administrator's Follow-up [2(b)(ii)]
Article on Risk Measures [2(b)(ii)(1)]
Technical Corrections and Plan Document Review Committee - Summary [3(a)(i)]
Technical Corrections and Plan Document Review Committee - Plan Amendment [3(a)(i)]