

RETIREE BENEFIT TRUST OF ST. MARYS COUNTY
BOARD OF TRUSTEES MEETING
November 7, 2014

Members Present: Susan Sabo, HR/Chief of Staff
Elaine M. Kramer, Chief Financial Officer
Larry Jarboe, Commissioner
Mary Ann Murray, Community Representative

Others Present: Jeannett Cudmore, Plan Administrator
Kevin Binder, Bolton Partners, Inc.
Joe Chadwick, Asset Strategy Consultants
Ed Boyer, Asset Strategy Consultants

CALL TO ORDER

The meeting was called to order at approximately 9:35 a.m.

ACCEPTANCE OF AGENDA

The Agenda was unanimously accepted.

APPROVAL OF MINUTES

Larry Jarboe made a motion, seconded by Elaine Kramer, to approve the minutes from the September 5, 2014 meeting. Motion Carried.

BOLTON PARTNERS OVERVIEW

- Presentation of Actuarial Report dated October 29, 2014. The report is the Budget Fiscal Years 16 and 17, Annual Expense for FY2016 is \$5,048,000, and this is a decrease compared to FY2015 of \$1,031,000. Annual Expense needed for FY2017 is \$5,294,000, an increase of \$246,000 over FY2016. The primary reason for the decrease when comparing to the FY2015 is due to decreased Medical Claims and Premiums Experience.
- Key methods and Assumptions were using the Projected Unit Credit Funding, 3.5 percent payroll growth, 6 percent discount rate, Medical Trend, and Additional \$1 million contribution in FY2015.
- Discussion of updates coming in the future for calculating the Annual Expense in the next report.

ASSET STRATEGY OVERVIEW

- Brief overview of the market, using materials provided by Asset Strategy Consultants
 - Quarter Ending September 30, 2014 – Market Value \$55,324,981, reduction of \$785,616 when compared to the last quarter.
 - Reviewed the handout by Investor Force, showed that since the inception of the plan, the total fund has had a 7.45% return, based on a target weighted average of 8.50%. Based on the last two meetings in discussion of the policy ranges, the Policy Statement will be updated in the next meeting.
 - 3rd Quarter 2014 Watch list Report – Brown, Sterling, PIMCO, Met West and Neuberger, continue to be watched with no action recommended at this time. Possible recommendation of replacements at the next meeting.
 - Schedule of Illiquid Alternative Investments- increase valuations as of September 30, 2014, of approximately \$200,000 over cumulative contributions.
 - Update on US Gov Properties prior to next meeting, they are proposing to change to a REIT, will communicate with members on change and needed authorization probably in January.
 - Reviewed Core Plus Bond Mutual Fund Search; new replacement for PIMCO, \$5 million.

Based on the presentation by Asset Strategy, the Trustees made the following motions:

Elaine Kramer made a motion, seconded by Mary Ann Murray, to liquidate our position in ISHARES Exchange Trading Fund and invest those proceeds in Loomis Sayles Funds as recommended by Asset Strategy. Motion carried.

PLAN ADMINISTRATOR

- Reviewed payment to Asset Strategy for \$15,625 for the 2nd Quarter of 2014 and transfer of funds.

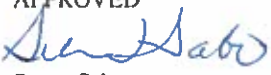
ADJOURN

Larry Jarboe made a motion, seconded all, to adjourn the meeting. Motion Carried.

Respectfully submitted,


Jeannett Cudmore
Plan Administrator

APPROVED


Susan Sabo
HR/Chief of Staff