Meeting was called to order at 2:06 P.M.

APPROVAL OF MINUTES
S. Robinson made a motion to approve the minutes. C. Baucom seconded the motion and the motion passed. The minutes were approved as submitted.

INVESTMENT COMMITTEE
S. Robinson provided the following report from the October 29, 2015 meeting of the Investment Committee:

- 3rd Qtr Report 2015 - Market Value of Assets $2.10 Billion
- As of September 30, 2015 - YTD Return (Net of Fees) -2.3%
- Alinda Partners presented to Committee to provide an overview of their closed-end funds. Committee to further examine the strategies for opened-ended funds. More liquidity is needed due to the increase in net cash outflows.
- OPUS performance has improved and was removed from Alert Status.
- Topics and considerations for year 2016: Asset Allocation Study, liquidity analysis, examination of infrastructure, closed-end and open-end funds, indexing within International Composite.
- Marquette to perform a Monte Carlo Probability Analysis for delivering a 7.5% investment return.
NEW BUSINESS

CRS Loan Program

T. West submitted a communication dated October 5, 2015 to Councilmember Seelbach with a request to re-introduce the CRS loan program. City Council referred the request to CRS for report.

P. Tilsley provided an overview of the previous CRS loan program that was terminated by City Council in 2010. During the years of the loan program, CRS failed to adhere to IRS Regulations concerning the treatment of defaulted loans, the length and structure of loan terms, and loan amounts. CRS has spent the last four years correcting administrative issues, collecting defaulted loans, and developing appropriate guidelines to manage the remaining loans still active. CRS is currently in the process of filing a request with the IRS under their Voluntary Compliance Program (VCP).

Defined Benefit Plans are rarely involved in providing loans to members. P. Tilsley requested the Board take action on the request to re-introduce the Loan Program.

Board Action

E. Ryder made a motion that the request be referred to the Benefits Committee for consideration. D. Beets seconded the motion. Discussion: C. Smitherman requested clarification concerning how the interest is applied and if a loan program would be a value to the Plan. S. Robinson requested Benefits Committee also address if a loan program would incur a cost to the Plan. Having no further discussion, the motion passed. The request to re-introduce a CRS loan program will be referred to Benefits Committee for further evaluation. C. Smitherman will notify the Chair of the Budget and Finance Committee of the referral to Benefits Committee.

INFORMATIONAL ITEMS

Collaborative Agreement

Attorney Fees

The attorney fees that have been paid by CRS to date: $500,000 for the Current Retiree Class and $4.6 million for the Current Employee Class. Per the Collaborative Agreement, CRS is to recoup the fees paid to the Current Employee Class attorneys from the Current Employee Class members through monthly reductions from their future retirement benefits in the amount of $5–$10 per month for up to 20 years.

CRS continues to work with the appropriate parties to determine an equitable and administrable method of collecting these fees.

Ely Ryder requested a copy of the legal fees paid to Graydon Head Ritchy, who provided legal defense services for the City.

115 Retiree Medical Trust

The CRS is in the process of closing the 401(h) account under the Pension Trust and creating the new 115 Retiree Medical Trust. The funds will revert to the City. The City will distribute a portion of the funds to the Pension Trust and the remainder will be deposited into the 115 Retiree Medical Trust. The Board will be asked to approve the 115 Trust document at the December 3, 2015 meeting. City Administration and the CRS Board will sign the document which will authorize the opening of the 115 Trust to receive assets before the end of year.

The majority of trustees of a 115 Trust is required to be government appointed members. The Trustees will provide oversight for the disbursements but will not make plan design changes. P. Tilsley to obtain clarification concerning the Trust Board’s authority to make investment decisions.
**EGWP- Medicare D Program**

Although Optum is the current prescription provider for pre- and post-65 retirees, Optum does not provide an EGWP Medicare D product. CRS has contracted with United Health Care (UHC) to implement an EGWP effective January 1, 2016. Optum, a subsidiary of UHC, will provide both the prescription plan of pre-65 retirees, and will also administer the EGWP for UHC.

**Kroger Coaching Program**

The Kroger Coaching Program is offered to all CRS retirees. The benefits of participating in the program include consultations with a Kroger Pharmacist and the waiver of co-pays for medications and supplies for diabetes, hypertension and high cholesterol.

Medicare D regulations do not permit rewards and/or incentives offered in the form of cash or monetary rebates, including reduced cost-sharing or premiums under an EGWP arrangement. CRS will continue to pay for the coaching aspect of the program, but the co-pays will not be waived per Medicare D regulations. CRS is in discussions with UHC and Buck Consultants in an effort to find a pathway to provide Medicare D recipients the same benefits as non-Medicare D members.

E. Ryder requested a statement from Optum that outlines their procedure for the waived prescription co-pays.

**Optum Update**

Optum has merged with Catamaran and some of the specialty drugs will be coming from different sources. CRS members will receive communications concerning these changes.

**Early Retirement Incentive Program from 2007**

Each year, the City contributes a one-time payment towards the ERIP liability that was amortized over a 15 year period. The current ERIP liability is $39.9 million. The City will issue a bond in December and the proceeds will be deposited into the Pension Trust by end of December 2015 to pay off the ERIP liability.

**Health Care Consultant RFQ**

CRS and the City’s Risk Management Department have initiated an RFQ process in search of a health care consulting firm to provide general health care consulting services and assist with RFQ’s. Board will be updated.

**CPI-U COLA 2016**

The COLA for CRS members that are not covered in the Collaborative Agreement is determined by the 12 month CPI-U. As directed by the Board, the simple COLA for each calendar year is to be determined using the CPI-U figure, capped at 2%, as of August 31 immediately preceding the calendar year. The simple COLA for the 2016 calendar year will be 0.2%.

**Board Action**

E. Ryder made a motion to approve the COLA rate for CRS members not covered in the Collaborative Agreement. C. Baucom seconded the motion and the motion passed. The COLA for members not covered in Collaborative Agreement for year 2016 will be 0.2%.

Meeting schedule for year 2016 was disseminated with members agreeing on September 1st as the meeting date for the month of September.

**Board Action**

S. Robinson made a motion to adjourn. C. Baucom seconded the motion and the motion passed. Meeting was adjourned at 3:15 P.M.