CITY of SPRINGFIELD

POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO
830 Boonville
Springfield, Missouri 65802
Phone: (417) 839-8214

Minutes
January 15, 2014

1. Call to Order

Cowherd called the meeting to order at 8:35 a.m. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Charlie Cowherd	President	X	
Paul Carroll	Citizen	X	
Jerry Fenstermaker	Citizen	X	
James Gillette	Citizen		X
Josh Hartman	Citizen		X
Marilyn Hill	Citizen		X
Ron Hoffman	Retiree	X	
Tony Kelley	Fire	X	
Scott Steck	Police		X
Ed Cantrell (NV)	Retiree	X	
Adam Carter (NV)	Fire	X	
Grant Dorrell (NV)	Police		X
Mary Mannix-Decker (NV)	Finance	X	
Cindy Rushefsky (NV)	City Council Liaison	X	
Dan Wichmer (NV)	Law	X	
Janell Manley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

Cowherd introduced Tony Kelley and Ed Cantrell as the new fire and retiree representatives. Cowherd recognized and thanked Chris Thompson for his four years of service to the Board.

2. Approval Meeting Minutes – December 12, 2013 (open session)

Fenstermaker made a motion to approve the December 12, 2013 as presented; 2nd by Hoffman. Vote all: Yes.

3. Approval of Financial Statement Ending November 30, 2013

Mannix-Decker reported on the following items of interest:

- The cash balance at the end of November was $3,606,174.

- Galliard decreased ($37,771). The return was -0.10% compared to the benchmark of -0.21%.
- Blackstone had an increase of $79,657. The fund returned 0.97% compared to the index return of 0.76%.
- Brandywine had a decrease of ($272,008). The fund returned -1.09% compared to the index return of -1.45%.
- Entrust had an increase of $116,663. The return was 1.58% compared to the index return of 0.76%.
- Pictet decreased by ($4,874). The return was 0.07% compared to the index return of 0.077%.
- Pyramis' had an increase of $3,893,749. $4 million was transferred into Pyramis so there was a negative return. The return was -2.11% compared to the index at -2.28%.
- Wells Fargo had a decrease of ($393,625). The return was -2.11% compared to the benchmark of -1.46%.
- The State Street Russell 2000 NL Fund increased by $1,001,791. The return was 4.03% compared to the index at 4.01%.
- The State Street Commodities NL Fund increased by ($91,968). The return was -0.81% compared to the index of -0.80%.
- The State Street S&P 500 Flagship NL Fund increased by $1,770,036. The return was even with the index at 3.05%.
- The US Tips NL Fund decreased by ($103,087). The return was even with the index at -1.09%.
- Employee contributions for the month totaled $240,635 and employer contributions totaled $575,682. The November sales tax was $2,010,039.
- Gain/Loss in market value, including managers' fees was $1,912,185 for the month. Total additions to the Plan were $4,747,981.
- Benefit payments totaled $1,583,409. Return of contributions totaled $69,000. Administrative expenses totaled $28,394.
- Total Net Assets at the end of November were $277,882,621, which is an increase of $3,067,178. For the fiscal year, the Plan has seen an increase of $23,524,871.
- Mannix-Decker pointed out that we need guidance from Segal Rogerscasey as to what to do with the domestic equities being quite a bit over their allocation percentage. We were anticipating moving money to a new fund, but their last recommendation had changed from what was previously proposed.

Fenstermaker made a motion to approve the financial statement ending November 30, 2013; 2nd by Hoffman. Vote all: Yes.

4. Retirement Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Joseph Curry	Age & Service	12/13/2013	02/21/2014	Police
Dennis Shook	Age & Service	12/18/2013	02/26/2014	Police
Eric Wahlquist	Age & Service	12/18/2013	02/18/2014	Police
Joe Jones	Age & Service	01/07/2014	03/11/2014	Fire
John England	Age & Service	01/02/2014	03/29/2014	Police
Russell Darnell	Age & Service	01/02/2014	01/25/2014	Fire
Mary Hollis	Age & Service	01/03/2014	03/21/2014	Police

Hoffman made a motion to accept the age and service retirement applications presented above; 2nd by Carroll. Vote all: Yes.

5. Approval of Calculations

Final Pension Calculation – No Surviving Spouse

Name	Monthly Pension Amount	Final Check Amount
Richard Mann	$3,527.24	$1,706.73
Clarence Beal	$3,150.62	$609.80

Hoffman made a motion to accept the calculation as presented above; 2nd by Kelley. Vote all: Yes.

6. Administrative Director's Report

Manley informed the Board that she had followed through with Wichmer's suggestion of contacting Cheryl Beebe-Snell to gauge her level of interest in possibly assisting with drafting the policies and procedures. Cheryl was very interested, but her clients would not waive conflict so she is not able to take on the project. That brings us back to the bids from Sheppard and Pension Consultants. Cowherd said there's just not a good answer to how to deal with this situation. One alternative is to pick out a few of these regulations we know we need because the ordinance says we have to have them, and have Sheppard and Manley to work on it. This will help judge the level of expense. He thinks the Board will find that the cost is over estimated.

Carter said that he doesn't see that the Board would lose anything by opening it up to an RFP even though there may not be a market for it. Cowherd said that law firms don't subscribe to services that list RFPs and he just doesn't think there will be any response. We have not traditionally bid for legal services like this. It is a bit out of the ordinary for legal services and that's why we are having trouble finding someone for such a custom project. Manley said that she and Cowherd talked to 4-5 law firms in town and they all passed on the project. They said they just didn't have the expertise to do us a good job.

Fenstermaker questioned if there was a way to work with both Sheppard and Pension Consultants. He feels there could be conflict with just having Sheppard do it. Cowherd said that Wichmer would have to have the final review. Carter mentioned concern that Pension Consultants is primarily familiar with

ERISA plans. Rushefsky suggested having Sheppard draft the package and then have an outside firm to review it. Cowherd said that if the Board has Sheppard do the work, the City and Tobben's office will review the draft so there will be layers of review. Rushefsky said that all of those are vested parties, but we might be able to get an outside review of the final package. Cowherd said his suggestion is to pick out three to four different regulations that we know we have to have for Sheppard to begin working on. We can then see how much expense is involved and go from there. Fenstermaker said that he thinks that make sense, but he also likes Rushefsky's idea of getting an outside review. Mannix-Decker again suggested that it be determined if this will be a Plan expense or a City expense before we get too far down the road on this project.

Carroll made a motion to permit Sheppard to move forward with developing four regulations with Cowherd's guidance in determining which four to begin with; 2nd by Fenstermaker. Vote all: Yes.

Fire Overtime - Manley reported that HR has completed all of the work for the 17 employees that were underpaid by the fire overtime calculation. They still need to review and verify the data which they hope to have completed by the end of January. Finance will then work on the recalculations.

Fiduciary Insurance – Manley reported that the fiduciary insurance expires February 22nd. Jenny Bradford is no longer with Regents, but they have indicated that they will most likely renew the policy. The new application is being submitted.

Beneficiary Information – around 55% responded to the letter requesting updated information.

Audit Committee – Carroll reported that the committee has met and reviewed the RFPs for the Plan's custodian. They are moving forward with recommendation and reference checks. Mannix-Decker said that the Plan will see significant savings.

7. Income Verification

The following retirees reported income from gainful employment over the allowable amount. In the cases of $0, no response was received.

Name	2014 Adjusted Pension Amt
Paul Blackwell	$2,723.72
Richard Chism	$2,929.39
Clifford Clark	$3,246.47
Christopher Deck	$1,715.36
Larry Fleet	$2,822.08
Valerie Hewett	$801.08
Douglas Hutchinson	$2,510.41
Kelly Roth	$1,712.12
Danny Royster	$2,880.94
Bryan Atkins	$0
Robert Sperberg	$0

The following retiree's need to be reinstated to their full monthly Pension amount effective January 1, 2014:

Michael Adams	$3,348.80
William Carpenter	$4,083.12
Douglas Orr	$2,893.52
Roger Worley	$1,320.92

Manley reported that five retirees submitted incomplete information and she is waiting on further detailed data. If the data is not received by the February meeting, reductions will be made at that time. Finance explained that there was an error in the COLA calculation for Blackwell and Hutchinson so the necessary adjustments have been made to their 2014 amounts. They will be looking into the error to find out why it happened and confirm that nobody else was impacted.

Carroll made a motion to accept the 2014 Pension amounts as presented; 2nd by Kelley. Vote all: Yes.

8. Invoices

An invoice for the June 30, 2013 actuarial valuation was presented. The invoice also included charges for various other reports as requested by the Board. The total invoice was $21,112. Fenstermaker made a motion to approve the invoice as presented; 2nd by Kelley. Vote all: Yes.

9. Legal Matters – Closed Session, pursuant to Section 610.021, RSMo.

Fenstermaker made a motion to move to closed session at 9:24 a.m. pursuant to Section 610.021(1, 3, 13, 14) RSMo.; 2nd by Kelley. Vote all: Yes. Open session resumed at 9:27 a.m.

10. Adjournment

Kelley made a motion to adjourn the meeting; 2nd by Carroll. Vote all: Yes. The meeting was adjourned at 9:33 a.m. on January 15, 2014.

 Secretary Signature: Nikki White