



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

830 Boonville
Springfield, Missouri 65802
Phone: (417) 839-8214

Minutes March 14, 2013

1. Call to Order

Cowherd called the meeting to order at 8:30 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	
Scott Steck	Police	X	
Chris Thompson	Fire	X	
Adam Carter (NV)	Fire	X	
Grant Dorrell (NV)	Police	X	
David Inmon (NV)	Retiree	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 the newest citizen member of the Board, Paul Carroll.

2. Approval Meeting Minutes – February 14, 2013 (open session)

Thompson made a motion to approve the February 14, 2013 minutes as presented; 2nd by Fenstermaker. Vote all: Yes.

3. Approval of Financial Statement Ending January 31, 2013

- The cash balance at the end of January was \$976,227.
- Brandywine had an increase of \$62,808. The fund returned 0.27% compared to the index return of -1.46%.

Nikki White

- Galliard had a decrease of (\$99,327). The return was -0.27% compared to the benchmark of -0.41%.
- \$4 million was transferred into Entrust.
- Pictet had an increase of \$2,976,328. The return was 6.83% compared to the index return of 6.75%.
- Wells Fargo had an increase of \$98,485.
- The State Street Russell 2000 NL Fund had an increase of \$1,385,268. The return was 6.28% compared to the index return of 6.26%.
- The State Street Commodities NL Fund increased by \$2,308,686. The return was 2.39% compared to the benchmark of 2.40%.
- The State Street S&P 500 Flagship NL Fund decreased by (\$1,097,004). The return was 5.19% compared to the index return of 5.18%. \$2 million was transferred out of this fund, thus the reason for a decrease in value.
- The US Tips NL Fund decreased by (\$67,156). The return was -0.66% compared to the index return of -0.68%.
- Total Net Assets at the end of January were \$240,094,671 which is an increase of \$9,314,712.
- The sales tax contribution for the month totaled \$2,127,831. Employee and Employer contributions were higher than normal because it was a three-payroll month.
- Gain/Loss in market value, including managers' fees was \$7,568,088 for the month. Total additions to the Plan were \$10,928,668.
- Benefit payments totaled \$1,517,035. Administrative expenses totaled \$59,736.
- Net increase in Plan assets totaled \$9,314,712.

Thompson made a motion to approve the financial statement ending January 31, 2013; 2nd by Hartman. Vote all: Yes.

4. Review of Retirement Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Robert Brown	Age & Service	3/6/2013	5/17/2013	Police

Gillette made a motion to accept Robert Brown's age and service application; 2nd by Thompson. Vote all: Yes.

5. Retirement Calculations

Name	Department	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Michael Pringle	Fire	Age & Service	24.69	\$3,434.03	\$735.86

Thompson made a motion to accept the retirement calculation as presented above; 2nd by Fenstermaker. Vote all: Yes.

Survivor's Final Pension

Retiree's Name	Survivor's Name	Final Check Amount
William Morris	Lorene Morris	\$474.50

Thompson made a motion to accept the final check calculation for Morris; 2nd by Gillette. Vote all: Yes.

6. Approval of Return of Contributions

Michael Pringle	Age & Service – 24.69 yrs.	Fire	\$103,127.99
Terry Tauai	Relinquishment – 9 yrs.	Police	\$46,839.97

Thompson made a motion to approve the return of contribution for Michael Pringle; 2nd by Gillette. Vote all: Yes, with the exception of Cowherd who voted No.

Hoffman made a motion to approve the return of contribution for Terry Tauai; 2nd by Fenstermaker. Vote all: Yes.

7. Administrative Director's Report

Investment managers – Manley reported that Sheppard is reviewing the Pyramis contract. She also reminded the Board that it hadn't voted on approving the new Blackstone investment because of the changes being made to the IPS to allow commingled funds. The change was from an off-shore fund to an ERISA fund. Council will be voting on the new IPS next week. Fenstermaker made a motion to accept the ERISA Blackstone investment subject to approval of the IPS by Council next Tuesday; 2nd by Thompson. Vote all: Yes.

Manley reported that Wichmer is going to send a demand letter to Elizabeth Wade's daughter to repay the December Pension amount that was paid. The family didn't notify the Board that Mrs. Wade had passed away in November. No benefits were due in December and it was January before the Board was notified of her death. The total due is around \$1,300.

Manley informed the Board that she's working on the policies and procedures manual. She has reviewed several other company policies. She also received several recommendations for attorneys some are in Springfield and some aren't. All of them recommend that an attorney draft the policies and procedures manual. They feel like it is important enough that an attorney needs to write them. Manley will have more details as far as cost at the next meeting.

Manley reminded the Board that the investment consultant contract renewal is coming up. Fenstermaker asked if it was a three-year contract. Manley thought it was one, but said we could ask for a three-year. Gillette said the Board may not want to be locked into a three-year contract, but it would be good to lock in the fees for three years. Gillette made a motion to proceed with negotiations on the Segal Rogerscasey contract; 2nd by Fenstermaker. Vote all: Yes.

Manley stated that the IPS revisions and the indemnification clause will go to Council next Tuesday.

MAPERS will be July 10-13. The session on the afternoon of the 10th is the session that fulfills one of the Board member educational requirements. Manley has registration applications.

Cowherd reported that Sheppard has reviewed all of his past bills and he feels that there are over \$39,000 worth of fees that should be paid by the City. Cowherd said that Wichmer is ok with his proposal.

The next sales tax subcommittee meeting will be held next week. Cowherd and Fenstermaker met with Jim Anderson regarding the renewal. The subcommittee is waiting on information from Milliman. The subcommittee will most likely be coming back to the Board with some recommendations next month. Cowherd said there was some discussion about pension obligation bonds. That committee has met a couple of times and Cowherd said that he thinks the conclusion was that it is not something that should be pursued at this time. Fenstermaker agreed and said it might be something that is taken a closer look at depending on the result of the sales tax renewal vote. He doesn't think it would impact the City's rating. Mannix-Decker said she thinks it would have a negative impact on the City's rating because the City would be issuing more debt. In relation to what is outstanding now, the City would be adding significantly to that number. Once you issue those bonds the payment is required. In the event of significant losses of assets, ultimately those bonds would look to the City's general fund to make up the difference and she thinks that alone would impact the City's credit rating. Cowherd said that this was looked at because we wanted the taxpayers to know that all possibilities have been explored.

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

Thompson made a motion to move to closed session at 9:03 a.m. pursuant to Section 610.021(1, 3, 13, 14) RSMo.; 2nd by Fenstermaker. Vote all: Yes. Open session resumed at 9:50 a.m.

9. Disability Reviews

Steck made a motion to grant a duty-disability pension to Robert Parks; 2nd by Thompson. Vote all: Yes.

Thompson made a motion to accept William Odom's request to withdraw his disability application subject to a written request being submitted to the Board; 2nd by Hartman. Vote all: Yes.

Thompson made a motion to terminate the disability and reinstate John House; 2nd by Fenstermaker. Vote all: Yes. Manley said House would be put back to work on the next pay period.

House addressed the Board concerning his reinstatement. He passed out his calculation worksheet from when he first retired. He said if he took his retirement today his pension amount would increase from what he was receiving off his disability. He said that is not his intention. That is not why he

came back to duty. He added that he will miss the COLA because he's an employee again unless he retires prior to July 1. He said that barring some terrible accident he will still be an employee on July 1, 2013. That means he won't be eligible for a COLA in 2014 either. As long as he's still an employee on July 1, his subsequent pension will be \$38 less than the pension he's drawing now. He said it is important for him to tell the Board that just so they know that he didn't do all of this to rip off the system. That was never his intent. He hopes nobody has to experience the stigma of drawing a disability system. This is what it was about and he wants the Board to know that.

10. Board Education Training Session – presented by Chip Sheppard, CECB

Sheppard conducted a Board training session which involved reviewing the Board member notebook containing information regarding duties of the Board as well as the Sunshine Laws, Plan ordinances and Missouri Laws regarding pension plans. The session lasted one hour.

11. Adjournment

Thompson made a motion to adjourn the meeting; 2nd by: Fenstermaker. Vote all: Yes. The meeting was adjourned at 10:55 a.m. on March 14, 2013.