



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

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

Minutes April 10, 2014

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	
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

2. Approval Meeting Minutes – March 13, 2014 (open session)

Manley reported that Sheppard wanted to expand section 9 regarding his training session to state that the session focused on the Sunshine Laws and other legal duties and powers of the Board. He also wanted it to state that an audio recording of the presentation is on file.

Kelley made a motion to approve the March 13, 2014 minutes with the amendment Sheppard requested; 2nd by Hartman. Vote all: Yes.

3. Approval of Financial Statement Ending February 28, 2014

Mannix-Decker reported on the following items of interest:

- The cash balance at the end of February was \$4,750,783.

Nikki White

- The State Street S&P 500 Flagship NL Fund increased by \$2,709,924. The return was 4.58% compared to the benchmark of 4.57%.
- The State Street Russell 2000 NL Fund increased by \$1,213,347. The return was 4.73% compared to the benchmark of 4.71%.
- Pictet increased by \$2,327,143. The return was 4.68% compared to the index return of 5.56%.
- Wells Fargo had an increase of \$570,140. The return was 3.43% compared to the benchmark of 3.31%.
- Galliard increased \$168,368. The return was 1.36% compared to the benchmark of 1.13%.
- The US Tips NL Fund increased by \$41,948. The return was even with the index at 0.45%.
- Brandywine had an increase of \$512,679. The fund returned 2.41% compared to the index return of 1.90%.
- Pyramis' had an increase of \$227,001. The return was 2.85% compared to the index at 3.24%.
- The State Street Commodities NL Fund increased by \$714,619. The return was 6.23% compared to the index of 6.24%.
- Blackstone had an increase of \$113,667. The fund returned 1.29% compared to the index return of 1.28%.
- Entrust had an increase of \$282,295. The return was 2.31% compared to the index return of 1.28%.
- Employee contributions for the month totaled \$258,668 and employer contributions totaled \$618,824. The February sales tax was \$2,295,104.
- Gain/Loss in market value, including managers' fees was \$8,819,163 for the month. Net increase to the Plan was \$11,992,009.
- Benefit payments totaled \$1,585,935. Administrative expenses totaled \$38,222.
- Total Net Assets at the end of February were \$289,775,991 which is a 3.7% increase.

The March-July 2014 reallocation plan was distributed. Small reallocations will be made to eight different funds over the five-month period to bring them closer to their targets.

Mannix-Decker said they are in the process of discussing a transition plan with UMB for the custodial services. The contract is in place.

Kelley made a motion to approve the financial statement ending February 28, 2014; 2nd by Hartman. Vote all: Yes.

Nikki White

4. Retirement Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Mark Copeland	Age & Service	03/11/2014	05/31/2014	Fire
John Albert	Age & Service	04/08/2014	06/27/2014	Fire
David Scheiderer	Age & Service	04/07/2014	05/28/2014	Fire
Philip Yarnell	Age & Service	02/28/2014	04/21/2014	Police

Kelley made a motion to accept the applications presented above; 2nd by Hartman. Vote all: Yes.

Retiree's Name	Application Type	Spouse's Name	Application Date	Department
Jerry Coday	Surviving Spouse	Helen Coday	03/12/2014	Police
Daniel Stockham	Surviving Spouse	Janice Stockham	03/10/2014	Police

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

5. Approval of Calculations

Name	Department	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
John Matthews	Police	Age & Service	21.97	\$3,584.86	\$1,156.41
Mary Hollis	Police	Age & Service	25.11	\$3,872.90	\$1,249.00
Joe Jones	Fire	Age & Service	21.93	\$3,738.99	\$1,326.74
Dennis Shook	Police	Age & Service	25.05	\$3,715.80	\$265.41

Carroll made a motion to accept the calculations presented above; 2nd by Hoffman. Vote all: Yes.

Wichmer entered the meeting at 8:50 a.m.

Name	Department	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Ralph Goddard	Fire	Duty Disability	10.37	\$2,848.19	\$1,653.79

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

Name	Type	Monthly Pension Amount	Final Check Amount
Raymond Lake	Final Check	\$1,542.05	\$596.92
Athel West	Final Check	\$3,071.38	\$396.31
Charles Ware	Final Check	\$1,922.54	\$256.34

Name	Type	Monthly Pension Amount	First Check Amount
Jerry Coday	Surviving Spouse	\$2,951.60	\$421.66
Daniel Stockham	Surviving Spouse	\$1,819.33	\$1,039.62

Kelly made a motion to approve the calculations as presented above; 2nd by Carroll. Vote all: Yes.

6. Approval of Return of Contributions

Name	Department	Type	Years of Service	ROC
Ralph Goddard	Fire	Duty Disability	10.37	\$54,060.98
Dennis Shook	Police	Age & Service	25.05	\$116,457.38
John Matthews	Police	Age & Service	21.97	\$114,980.79
Joe Jones	Fire	Age & Service	21.93	\$112,198.18
Stephanie Still	Police	Age & Service	25.04	\$118,845.53
Mary Hollis	Police	Age & Service	25.11	\$118,089.16

Kelley made a motion to approve the return of contributions presented above; 2nd by Carroll. Vote all: Yes, with the exception of Cowherd who voted no.

7. Administrative Director's Report

Manley thanked everyone for their efforts in passing the sales tax. She extended a thank you from the Board to Chief Williams and Chief Hall for all of their hard work. Manley asked if the Board would be interested in having some sort of get together for everyone who assisted. Gillette said he would feel more comfortable with a proclamation or a thank you letter from the Board rather than something that would cost money. Several agreed. Rushefsky said a short letter to the editor on behalf of the Board would be a great thing to do as well. Cowherd said he will circulate a proposed proclamation and an article to submit to the newspaper thanking the citizens for their support.

Manley reported that Debbie Elliot has changed companies again. If we don't anticipate over \$5,000 in nurse consultant expenses then we don't have to do an RFP.

Manley distributed a draft of the first four articles of the policies and procedures manual. Cowherd and Manley encouraged the Board to review the information and bring comments back to the May meeting.

Cowherd mentioned that Manley had sent him a copy of an example board governance policy. It's a broader set of guidelines that explains how to be a board member. He said the continuing focus going forward is to make this board as independent as it appropriately should be from the City government. This may be another step in that direction, but some may say that it may be too much. Kelley said he thinks it should be reviewed. He thinks every board should have guiding documents. Rushefsky said she thinks we need the structure and formality. Cowherd said we will look at it and see about developing those rules for this Board.

Cowherd said another topic that has come up is conflict of interest and what is or is not appropriate for board members to do. He thinks it's a really important topic. What is appropriate or inappropriate about board member interaction with participants in the Plan? We have various specialties on this Board. He used lawyers as an example. Would it be appropriate for him to contact participants and offer services under some circumstances? He wants the members to start thinking about that and what is appropriate. Kelley said he deals with participants in a much different way than others and it would be something he would have to take a close look at because it could become a slippery slope. He said

it's not a real clear cut description for his position, but he certainly understands what Cowherd is describing. Cowherd said it is a two-edge sword because on one hand we want people to be able to do what they do and feel free to what they are trained to do. On the other hand, we want to make sure the Board integrity is being maintained and not being used as a spring board into something else.

Wichmer and Cowherd have discussed this and there is nothing that is really a conflict of interest in the City ordinances, but the question is if the Board wants to go beyond that because it could be a problem. Carroll said we don't want someone abusing their position on the Board. Cowherd said that Kelley brings up a good point in that it is somewhat situational. One approach is to bring each situation to the Board for approval. Maybe it should be presented as a disclosure upon joining the Board? Rushefsky said that could create problems in certain context. Each profession will have its own code of ethics and the Board will not know enough about it to step in and say you can't do this or that. She thinks it will limit good people who aren't doing anything unethical who are simply afraid that they may overstep. She thinks it may be better to deal with it as it comes. Gillette said he disagrees. He thinks we need a statement saying this is what we expect and this is a definition of conflict of interest. Most boards send out a questionnaire once a year that asks you to disclose any relationships that you have that could appear to be a conflict of interest. That way the Board has some coverage if something comes up. Hartman said it is a great point. He has to do that yearly with his job.

Carroll said that if the Board finds out that he's marketing to retirees that receive a return of contribution, does the Board have any authority to do anything to him? Cowherd said he doesn't think the Board has any authority to remove anyone from the Board. That's the City Council's job. Kelley said it's a good idea to be proactive instead of reactive. Wichmer said the Board is bound by the same code of ethics per charter that Council is. Another thing is that you serve at the pleasure of Council unless you are one of the police and fire representatives. So to that extent, if Council thinks there is an issue they would just go to the Board Chair to address it. Hill questioned if there is a difference in soliciting and just doing normal business. Wichmer said the charter says no board or Council member can have a direct or indirect financial benefit or any contracts with the City. The hard part is indirect. An example would be working at Wal-Mart as a stock person. They get paid by Wal-Mart and the City buys supplies from Wal-Mart. That person will never see a direct benefit. Theoretically there is an indirect benefit because there is a sale, but we've always held the rule that unless you can show that you're getting a commission from the City, it's not an issue.

Mannix-Decker said that Finance now has the information from Human Resources on the Fire overtime error. She will have new calculations for the Board at the May meeting.

Manley reported that Council's nominating committee will be meeting to review the applications for the Fenstermaker's vacant seat on the Board. Hartman and Cowherd's terms are up at the end of April. Both have agreed to renew their terms.

8. Board President Election

Cowherd stated that Hartman has expressed interest in the position. He asked if anyone else had an interest. None noted.

Carroll made a motion to elect Hartman as the new Board President; 2nd by Kelley. Vote all: Yes.

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

Carroll made a motion to move to closed session at 9:30 a.m. pursuant to Section 610.021(1, 3, 13, 14) RSMo.; 2nd by Kelley. Vote all: Yes. Open session resumed at 9:40 a.m.

10. Other Business

Manley recognized and thanked Cowherd for his service as president the past two years.

Cowherd recognized Fenstermaker for his work on the Pension Task Force and his work on the first sales tax election. He also thanked him for his years of service on the Pension Board.

11. Adjournment

Kelley made a motion to adjourn the meeting; 2nd by Carroll. Vote all: Yes. The meeting was adjourned at 9:43 a.m. on April 10, 2014.