CITY of SPRINGFIELD

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

Minutes
April 9, 2015

1. Call to Order

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

Attendance

Members	Representation	Present	Absent
Josh Hartman	President	X	
Charlie Cowherd	Citizen	X	
Paul Carroll	Citizen	X	
James Gillette	Citizen		X
Marilyn Hill	Citizen		X
Ron Hoffman	Retiree	X	
Tony Kelley	Fire	X	
Gus Krafve	Citizen	X	
Chris McPhail	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
Rhonda Lewsader (NV)	Law	X	
Janell Manley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

2. Approval Meeting Minutes – March 12, 2015 (open session)

Cowherd made a motion to approve the March 12, 2015 minutes as presented; 2nd by Kelley. Vote all: Yes.

3. Approval of Financial Statement Ending February 28, 2015

- The cash balance at the end of February was $9,583,239.
- The State Street S&P 500 Flagship NL Fund increased by $2,662,886. The return was even with the index at 5.75%.

 Secretary Signature: Nikki White

- The State Street Russell 2000 NL Fund increased by $1,174,371. The return was 5.97% compared to the index return of 5.94.

- Pictet increased by $3,834,660. The return was 8.31% compared to the index return of 5.98%.

- Wells Fargo had an increase of $554,102. The return was 2.63% compared to the benchmark of 1.25%.

- Galliard decreased ($182,351). The return was -0.40% compared to the index return of -0.52.

- The US Tips NL Fund decreased by ($204,019). The return was even with the index at -1.20%.

- Brandywine had a decrease of ($76,976). The fund returned -0.14% compared to the index return of -0.95%.

- Pyramis had an increase of $345,213. The return was 2.63% compared to the index at 1.25%.

- The State Street Commodities NL Fund increased by $327,516. The return was 2.55% compared to the index at 2.58%.

- Blackstone had an increase of $205,907. The fund returned 1.41% compared to the index return of 1.17%.

- Entrust had an increase of $379,097. The return was 2.51% compared to the index return of 1.17%.

- Employee contributions for the month totaled $224,460 and employer contributions totaled $536,987. Sales tax contributions for the month totaled $2,163,296.

- Gain/Loss in market value, including managers' fees was $8,942,071 for the month. Total additions were $11,867,511.

- Benefit payments totaled $1,752,261. Return of contributions totaled $398,816. Administrative expenses totaled $14,306. Net increase to the Plan was $9,702,129.

- Total Net Assets at the end of February were $311,752,186.

Kelley made a motion to approve the financial statement ending February 28, 2015; 2nd by Cowherd. Vote all: Yes.

Hartman made a motion to allow Segal Rogerscasey to present some manager options for International Small Cap and Global REITs; 2nd by Cowherd. Vote all: Yes.

4. Review of Retirement Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Cale Murphy	Age & Service	03/16/2015	05/29/2015	Fire

Carl Schwartze	Age & Service	03/23/2015	04/16/2015	Police

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

5. Review of Calculations

Age & Service Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Philip Noah	Age & Service	24.54	$5,398.37	$1,915.55

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

6. Approval of Return of Contributions

Name	Dept.	Type	Years of Service	ROC
Philip Noah	Fire	Age & Service	24.54	$144,252.28

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

7. Administrative Director's Report

MAPERS is July 15-17, 2015. Manley has the registration forms. Members can meet their required annual board member requirements by attending.

Kravfe and Carroll have agreed to another three-year term.

The investment manager agreement for the long term bond manager has been reviewed by Sheppard and sent on to Segal Rogerscasey for approval.

The RFP for actuary services is near completion and should be posted soon. The Purchasing Department asked that Wichmer review the document prior to posting. Manley asked for volunteers to be on the review committee. Kelley agreed to serve. Several agreed that Gillette should be asked to be on the committee as well since this is his area of expertise. Carroll made a motion that the RFP for the actuary services be posted pending Dan Wichmer's approval; 2nd by Kelley. Vote all: Yes.

Additional Funding Contribution memo to Council – Manley distributed the final draft as well as a memo from Milliman on the potential impact of higher retirement rates on the AFC. Rushefsky said it may be beneficial to do an overall Pension overview at one of the Council luncheons since there are several new members. Manley asked if there was any reason to not send the memo out today. Cowherd said he continues to have a concern about the Board interjecting itself into discussions between the employees and the City. He thinks the message we are sending to Council is that they need to do something about this and maybe that's not the right message to give them. He's concerned about the fact that nobody has asked the Board to do this. He doesn't want the Board to be in a position that it is viewed as being a tool for one side or the other. He has no problem with the content of the memo, but he's concerned as to where it puts the Board in relation to discussions between the City and the participants.

Rushefsky thinks Cowherd has a valid point. She thinks a lot of it is going to depend on how it is presented. She thinks the memo is fine. The purpose in meeting with Council is to get the Pension on their mind and realize its significance to the City. A primary goal should be to establish contact. The second reason is to make it clear what the Board's position is. The letter is informational only and the Board is not trying to involve itself in the discussions between the City and the participants. The Board feels this is something that Council needs to be aware of. Manley asked if the luncheon presentation should take the place of the memo. Rushefsky said no. She thinks it is important to do both. Kelley said that the membership has not asked the Board to get involved in this issue. He said he clearly sees it as a responsibility as a Board member to bring about awareness of the issue. This is going to impact the Plan if there's a mass exodus like in 2009. He's been very clear that the Board needs to stay out of the discussions. This is up to the associations and the City management. He is in no way advocating that the Board get involved in the process.

Hartman agreed that it is not what you say, it's how you say it. We have to put something on record as far as a presentation that the Board acknowledges this as being a potential issue. Kelley made a motion to send the memo to Greg Burris and City Council; 2nd by Kravfe. Vote all: Yes, with the exception of Cowherd who voted no.

Investment Policy Statement – Manley distributed the final draft. Sheppard and SRC have reviewed the document. An email from SRC requesting a few changes was distributed. Manley mentioned that the mid-cap information is currently not included in the IPS. Carroll said he would prefer that it be added now for future flexibility. Hartman agreed that mid-cap should be added. Manley said that International Small Cap should be added to the chart as well. Carroll questioned why the target is needed in the IPS. We have the range in there. We better be able to answer why we aren't at the target at any given point if it is included. Hartman agreed that we just need the range in the IPS. Carroll added that targets are necessary to have, but he doesn't know why they need to be listed in the IPS. The targets change depending on the asset allocation so the IPS will have to be changed every time the allocations are adjusted. Carroll said his question to SRC is, is it a problem to not have the targets in the IPS? Everyone agreed that these questions should be asked and a final draft presented at the next meeting.

Manley informed the Board that the next pre-retirement seminar will be held on June 5th. Hartman requested that a few board members be in attendance.

The SRC Summit will be October 7-10. Carroll made a motion to send up to three people to the summit. Segal Rogerscasey will be paying for everything except for the transportation costs; 2nd by Kelley. Vote all: Yes. The monthly meeting will be held on October 15th.

8. President Election

Manley informed the Board that Hartman has agreed to serve another term. She asked if anyone else was interested in running. Cowherd made a motion to elect Hartman as president of the Board by acclamation; 2nd by Krafve. Vote all: Yes.

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

Kelley made a motion to move to closed session at 9:18 a.m. pursuant to Section 610.021(1, 3, 13, 14) RSMo.; 2nd by Carroll. Vote all: Yes. Open session resumed at 9:22 a.m.

10. Adjournment

Hartman made a motion to adjourn the meeting; 2^{nd} by Cowherd. Vote all: Yes. The meeting adjourned at 9:23 a.m. on April 9, 2015.

 04/09/15 Secretary Signature: Nikki White