



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

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

Minutes December 17, 2015

1. Call to Order

Manley called the meeting to order at 8:30 a.m. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Josh Hartman	President		X
Charlie Cowherd	Citizen	X	
Paul Carroll	Citizen	X	
Marilyn Hill	Citizen	X	
Ron Hoffman	Retiree	X	
Tony Kelley	Fire	X	
Gus Krafve	Citizen	X	
Chris McPhail	Police	X	
Justin Milam	Citizen	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

Tony Kelley was also present. Cowherd recognized and thanked Kelley for his service on the Board for the past two years.

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

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

3. Approval of Financial Statement Ending October 31, 2015

- The cash balance at the end of October was \$4,869,534.

Nikki White

- The State Street S&P 500 Flagship NL Fund increased by \$3,824,791. The return was 8.45% compared to the index return of 8.44%.
- The State Street Russell 2000 NL Fund increased by \$1,063,913. The return was 5.68% compared to the index return of 5.63%.
- Pictet increased by \$3,446,911. The return was even with the index of 7.82%.
- Wells Fargo had an increase of \$1,707,986. The return was 8.74% compared to the benchmark of 7.13%.
- Galliard increased \$82,615. The return was 0.24% compared to the index return of -0.05%.
- Income Research increased \$83,068. The return was 0.31% compared to the index return of 0.41%.
- Brandes increased \$147,893. The return was 5.21% compared to the index return of 5.98%.
- The US Tips NL Fund increased by \$39,343. The return was 0.26% compared to the index return of 0.25%.
- Brandywine had an increase of \$247,438. The fund returned 0.90% compared to the index return of 0.12%.
- Pyramis had an increase of \$556,623. The return was 4.18% compared to the index at 3.16%.
- The State Street Commodities NL Fund decreased by (\$47,600). The return was -0.43% compared to the index at -0.45%.
- Blackstone had an increase of \$62,672. The fund returned 0.39% compared to the index return of 0.34%.
- Entrust had a decrease of (\$10,573). The return was -0.02% compared to the index return of 0.34%.
- Employee contributions for the month totaled \$219,309 and employer contributions totaled \$524,663. Sales tax contributions for the month totaled \$2,720,408.
- Gain/Loss in market value, including managers' fees was \$11,191,074 for the month. Total additions were \$14,656,004.
- Benefit payments totaled \$1,851,164. Return of contributions totaled \$342,396. Administrative expenses totaled \$10,819. Net increase to the Plan was \$12,451,626.
- Total Net Assets at the end of October were \$317,361,993.

Carroll made a motion to approve the financial statement ending October 31, 2015; 2nd by Hoffman. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Robert Monier	Age & Service	12/14/2015	01/23/2016	Fire
Allen Neal	Age & Service	12/14/2015	02/18/2016	Police
Jackson Pepper	Age & Service	11/25/2015	01/08/2016	Police
David Millsap	Age & Service	11/25/2015	01/25/2016	Police
Kenneth Ehrmann	Surviving Spouse	12/07/2015		Fire

Cowherd made a motion to accept the application as presented above; 2nd by Carroll. Vote all: Yes.

5. Review of Calculations

Age & Service Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Shawn Martin	Age & Service	20.18	\$3,243.94	\$1,946.37
James Closser	Age & Service	24.51	\$4,167.09	\$1,747.49

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

Final Pay

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Kenneth Erhmann	Final Pay	25.78	\$4,730.19	\$1,576.67
Ervin Tuter	Final Pay	22.51	\$3,271.20	\$2,180.80

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

Surviving Spouse

Name	Type	Monthly Pension Amount	Partial Pension Amount
Patricia Erhmann	Surviving Spouse	\$3,551.23	\$2,766.26

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

6. Approval of Return of Contributions

Name	Dept.	Type	Years of Service	ROC
James Closser	Police	Age & Service	Military buyback refunded	\$18,016.00
Shawn Martin	Fire	Age & Service	20.18	\$119,673.85

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

7. Administrative Director's Report

A memo from Mary Mannix-Decker regarding a benefit calculation that was overstated due to a rounding error was distributed. The total over payment is \$1,215.77. Manley said that the Board needs to decide if it wants to collect the overpayment. If so, Mannix-Decker has recommended doing so over a six month period. The retiree is Lynn Rowe. It was questioned if anyone had talked to Rowe. Manley said that she didn't know. Cowherd said he thought that should be the first step. He might say to take it out of the first check. He thinks this should be tabled until he is spoken to. Milam said that at his place of employment, if the mistake is their company's and it's to the advantage of the insurer, they just let it go. If they owe money to them, then they pay it. This was an innocent error that has been occurring for quite some time now, but it is still an error. Some said that he may offer to give it back.

Rushesfky said it is a policy issue as well. Kravfe added that we are fiduciaries to the Plan and if he was given money that is not rightfully his, it should go back into the Plan. Several agreed that there a valid arguments on both sides, but the starting point is to visit with Rowe. Rushesfky said that she feels we need to figure out how these should be handled across the board and set a policy. Cowherd said that the reality is that we have gone back and collected money that was overpaid. McPhail said that he agrees that the Board needs a written policy. Finance did review all of the calculations that were six months prior and six months after this retirement date and didn't find any other discrepancies. Rushefsky said that everyone needs to feel like they are treated reasonably and fairly. Cantrell added that something like this could be detrimental for a surviving spouse. They would not only have to live with a reduction, but also pay back the overpayment. In the grand scheme of things, this current amount is not that much and it was our mistake. Manley said she will do some research on how things like this are handled and report back at the next meeting. She added that the current employee that is doing the calculations went back and reviewed all of the calculations that she has done to verify that they are correct. No errors were found.

Manley distributed a Board Governance Policy draft and asked that everyone take the time to review it and provide comments. It has not been reviewed by Sheppard, but has been reviewed by Cowherd.

8. Bill Payments

Manley presented an invoice from PBI that would include the obituaries with the continuous monitoring death audit services. The auditors are in favor of this being added to the current services. The \$181 will add the obituaries to our current contract for the remainder of the contract. The total yearly cost is around \$300.

PBI		
Continuous Monitoring	Statement #67672	Amount: \$181.00

Carter made a motion to approve the PBI bill as presented above; 2nd by Carroll. Vote all: Yes.

Milliman		
Actuarial Valuation & Buyback Calculations	Statement #086 SPF	Amount: \$19,580

Carroll made a motion to approve the Milliman bill as presented; 2nd by Hoffman. Vote all: Yes.

9. Investment Consultant RFP

Manley reported that she's working on the RFP and asked for volunteers to serve on the committee. Carroll, Kravfe and Cowherd volunteered to serve on the committee.

10. Police and Fire Representative Elections

Manley announced that Carter will be the voting fire member and Chris Welsh will be the non-voting police member. Anita Cotter, City Clerk, was present to count the votes.

Carroll made a motion to approve the results of the election as presented; 2nd by Hill. Vote all: Yes, with the exception of Carter who abstained.

Manley added that according to Wichmer the Board can appoint the non-voting fire member to take over Carter's old term. James Frieze was recommended.

Cowherd made a motion to approve Frieze as the non-voting fire representative; 2nd by Carroll. Vote all: Yes.

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

Cowherd made a motion to move to closed session at 9:12 a.m. pursuant to Section 610.021(1, 3, 13, 14) RSMo.; 2nd by Carroll. Vote all: Yes. Open session resumed at 9:15 a.m.

12. Adjournment

Cowherd made a motion to adjourn the meeting; 2nd by Carter. Vote all: Yes. The meeting adjourned at 9:17 a.m. on December 17, 2015.