CITY of SPRINGFIELD

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

Minutes
January 12, 2017

1. Call to Order

Manley 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	
Adam Carter	Fire	X	
Derek Fraley	Citizen	X	
Ron Hoffman	Retiree	X	
Gus Krafve	Citizen		X
Chris McPhail	Police		X
Nancy Martin-Hinds	Citizen		X
Justin Milam	Citizen	X	
Ed Cantrell (NV)	Retiree	X	
James Frieze (NV)	Fire		X
Chris Welsh (NV)	Police	X	
David Holtmann (NV)	Finance	X	
Ken McClure (NV)	City Council Liaison		X
Janell Manley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

Rhonda Lewsader, Krystal Ray and Lauren Cook were also present. Welsh was the voting member in McPhail's absence.

2. Approval Meeting Minutes – December 12, 2016 (open session)

Hoffman made a motion to approve the December 12, 2016 minutes as presented; 2nd by Milam. Vote all: Yes.

3. Approval of Financial Statement Ending November 30, 2016

- The cash balance at the end of November was $10,378,827.

 Secretary Signature: Nikki White

- The State Street S&P 500 Flagship NL Fund increased by $1,826,869. The return was 3.71% compared with the index at 3.70%.
- The State Street Russell 2000 NL Fund increased by $2,061,964. The return was 11.14% compared with the index at 11.15%.
- Pictet decreased by ($1,403,725). The return was -3.18% compared to the index return of -1.99%.
- Wells Fargo had a decrease of ($1,416,659). The return was -5.13% compared to the benchmark of -4.60%.
- Galliard decreased ($547,328). The return was -1.61% compared to the index return of -1.72%.
- Income Research decreased ($1,923,899). The return was -5.66% compared to the index return of -5.83%.
- Brandes decreased ($187,561). The return was -1.88% compared to the index return of -2.81%.
- Brookfield decreased ($175,863). The return was -1.78% compared to the index return of -2.73%.
- The US Tips NL Fund decreased by ($313,217). The return was -1.93% compared to the index return of -1.92%.
- Brandywine had a decrease of ($1,508,068). The fund returned -5.11% compared to the index return of -5.66%.
- Pyramis had a decrease of ($519,358). The return was -2.95% compared to the index at -4.17%.
- The State Street Commodities NL Fund increased by $155,156. The return was 1.31% compared to the index at 1.33%.
- Blackstone had an increase of $180,350. The fund returned 1.16% compared to the index return of 0.25%.
- Entrust had a increase of $246,619. The return was 1.91% compared to the index return of 0.25%.
- Employee contributions for the month totaled $246,444 and employer contributions totaled $517,381. Sales tax contributions for the month totaled $1,989,756.
- Gain/Loss in market value, including managers' fees was ($3,603,572) for the month. Total additions were ($849,141)
- Benefit payments totaled $1,941,765. Administrative expenses totaled $14,562. Net increase to the Plan was ($2,805,469).
- Total Net Assets at the end of November were $347,920,357.

Carroll made a motion to approve the financial statement ending November 30, 2016; 2nd by Hoffman. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
David Hall	Age & Service	01/03/2017	02/03/2017	Fire

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

Holtmann reminded the Board that Hall was the individual who didn't have their December contribution amount come out last year. Since he's receiving his contributions back in the current calendar year, Holtmann doesn't feel like it makes sense to withhold it out of his last check and then turn right around and give it right back. He looked at what the earnings would have been on that small amount and we are talking about maybe $25 for the year. His suggestion would be leave it as it is and note that had he stayed on we would have taken it out, but at this point he doesn't feel like it is worth the effort on the payroll side. It would be putting it in the fund and then turning right around and returning it to Hall. Holtmann wanted to see if the Board is comfortable with that.

Carter said he's not weighing in one way or the other at this point. He agrees with Holtmann that it will cost in resources to make that as it should have been to the penny, but there's a political aspect to it. Holtmann added that Hall has no issue one way or the other. Carter said it is kind of a firestorm among the employees that the event happened. There's speculation on what actually happened. The employees are very aware of the issue and concerned about it. Carter said he thinks it was a legitimate mistake within the computer system. Holtmann said the system was using a tax limit that didn't apply.

Carroll asked if Carter was saying that this was done on purpose. Carter said that is not what he's saying. He said that anything that happens at City Hall can draw a lot of speculation within the employees out in the stations. Carter said that he would actually favor Holtmann's recommendation. Holtmann added that his last contribution went in as it should. Carroll suggested having Hall sign a statement regarding what has occurred. Holtmann said that is fine. He added that they didn't want to do it a year-end because they have a one month window to get W2's out. That deadline was moved up two months to get it to the IRS. Holtmann said he's comfortable doing whatever the Board would like for him to do.

Carter made a motion to move forward with Holtmann's recommendation of leaving Hall's December 2016 contribution as is and note that had he stayed on it would have been taken out pending a signed acknowledgement from Chief Hall; 2nd by Carroll. Vote all: Yes.

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Marley Reynolds	Surviving Spouse – Final Check	20.01	$1,512.60	$1,122.25

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

 Secretary Signature: Nikki White

6. Administrative Director's Report

Manley reported that Sheppard will present his annual fiduciary training at the March meeting. She's hoping to get the investment committee together prior to next month's meeting to discuss the asset allocation study. The income verification results will be discussed in closed session and the adjusted amounts will be approved when the open session resumes.

Cantrell asked if anything has happened regarding the income verification process that was discussed a few months ago. Manley said she's under the impression that the Board can't take a stand one way or the other. She has talked to several police and fire members and encouraged them to get together to try to present a united front and to take it to City Council. Carter asked Manley how much time the income verification process takes her. Manley said that she spends a maximum of 40 hours spread out over three to four months. Cantrell said we are one of the only plans still doing income verification once the members reach normal retirement age.

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

Carter made a motion to move to closed session at 9:02 a.m. pursuant to Section 610.021(1, 14) RSMo.; 2nd by Carroll. Vote Yes: Carter, Carroll, Fraley, Hoffman, Milam and Welsh. Vote no: none. Open session resumed at 9:05 a.m.

8. Income Verification

Name	2017 Adjusted Pension Amt
Christopher Deck	$2,187.38
Valerie Hewett	$1,290.15
Kelly Roth	$2,471.35
Paul Blackwell	$2,825.06
Richard Chism	$3,257.02
John Stalker	$2,525.59

The following retiree's need to be reinstated to their full monthly pension amount effective January 1, 2017:

Name	Full Monthly Pension Amt
Billy Miller	$3,301.80

Carroll made a motion to approve the 2017 adjusted pension amounts as presented; 2nd by Carter. Vote all: Yes.

10. Adjournment

Carroll made a motion to adjourn the meeting; 2nd by Milam. Vote all: Yes. The meeting adjourned at 9:06 a.m. on January 12, 2017.

 Secretary Signature: Nikki White