CITY of SPRINGFIELD

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

Minutes
December 19, 2018

1. Call to Order

Carroll called the meeting to order at 7:31 a.m. The meeting was held at the Busch Municipal Building, 840 Boonville Avenue. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Mike Bridges	Citizen	X	
Paul Carroll	President	X	
Adam Carter	Fire	X	
Derek Fraley	Citizen		X
Ron Hoffman	Retiree	X	
Gus Krafve	Citizen		X
Nancy Martin-Hinds	Citizen	X	
Justin Milam	Citizen	X	
Chris Welsh	Police	X	
Ed Cantrell (NV)	Retiree	X	
James Frieze (NV)	Fire		X
Marcus Walker (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

Jason Gage and Don Willoh were also present.

2. Sales Tax Funding Projections

Manley stated that the purpose of the meeting is to vote on a recommendation to the City regarding a sales tax renewal for the Fund. The charts provided by Milliman at last week's meeting were utilized for the discussion. Manley encouraged those present to focus on the 6.5% investment rate return chart since Milliman is recommending that the Plan reduce the rate of return soon. Welsh asked Carroll if he feels the 6.5% is a fair number. Carroll said yes. He added that the Board also needs to look at the 6.0% chart as well to see how it plays out in the long term.

Manley mentioned that the three no tax options with the City contributing 35% of payroll/$4 million/$6 million can be ruled out because they don't get the Plan to where it needs to be. A tax extension is definitely needed. Manley said that we have a fiduciary responsibility while selecting an option that we feel will be accepted by the citizens. Bridges said he thinks that the Board should at least consider a ½% at a minimum. Manley said that we don't know where the City stands as far as how much they are willing to contribute.

The results are so dependent on what investment rate of return is achieved. Manley pointed out that the lower the return rate goes, the ¾% sales tax is the only one that gets us to where we need to be. Carroll asked if the Board was comfortable with ¾% or ½%? Milam said that he thinks the ½% because at the 6.5% and the 6.0% rates of return the ½% sales tax still gets us to where we need to be. Bridges said that he thinks the ¾% makes more sense to him because it gives more flexibility. He doesn't think that it will make much difference to those opposed. It could be more of a challenge if we had to come back down the road and say that our assumptions were wrong, and we needed ¾%.

Several agreed that we should have it on the August 2019 ballot. It was questioned that if it fails in August if we could come back in November. Willoh said he would have to check on that. He said for the purpose of this conversation the Board should assume the worst in that you can't come back that quick. Welsh said that he's good with either percentage. He likes the idea of having more flexibility with the ¾% in case returns aren't favorable. It was questioned how long the City contribution would continue. The length of the tax? Until the last person retires? Manley said she would have to ask Zwiener what he used in the calculation of the charts.

Carroll said that Zwiener stressed at last week's meeting that we should aim at getting the Plan above 100% funded since it is a closed plan. If it fails in August and we can't get it on in November, then we would come back after the first of the year and it would no longer be considered a renewal. Manley said that she feels we need to promote where we were, where we are now and where we need to be. This is what we need to finish this.

Manley said that she likes the combination of the ½% with a set City investment as the easiest to get passed because it is a reduction and also binds the City so the public thinks they have more skin in the game. Several questioned how long the City's contribution would continue. We don't know what Zwiener assumed on his charts. She added that on the flip side the ¾% would be nice to have. Carroll said that if the ½% passed, it would be highly likely that a renewal would be needed. So is it easier to ask for ¾% once or ask for ½% twice? Several agreed that ¾% once would be better.

Martin-Hinds asked if it is the percentage that matters or just the fact that the tax is there. Several said it's the fact that it is there so the difference of ½% and ¾% may not really be a big issue. In the end the City is on the hook if a sales tax doesn't pass. That amounts to about $70 million right now. The importance of promoting it and telling our story was stressed.

Welsh made a motion to recommend to Council a ¾% sales tax renewal; 2nd by Bridges. Discussion: Carter asked to amend the motion to include a minimum contribution by the City. Several agreed that it is a decision for Council to make. Hoffman said that they have just as much interest in getting the tax passed as the Board does. The motion was not amended. Vote all: Yes.

3. Adjournment

Bridges made a motion to adjourn the meeting; 2nd by Martin-Hinds Vote all: Yes. The meeting adjourned at 8:42 a.m. on December 19, 2018.

 12/19/18 Secretary Signature: Nikki White