



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

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

Minutes November 14, 2019

1. Call to Order

Bridges called the meeting to order at 8:30 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	President	X	
Paul Carroll	Citizen	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	
Andrew Lear (NV)	City Council Liaison	X	
Janell Manley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

Don Willoh was also present.

2. Approval Meeting Minutes – October 10, 2019 (open session)

Welsh made a motion to approve the October 10, 2019 minutes as presented; 2nd by Carter. Vote all: Yes.

3. Approval of Financial Statements Ending September 30, 2019

- The cash balance at the end of September was \$4,410,841.
- The State Street S&P 500 Flagship NL Fund increased by \$1,531,724. The return was even with the index of 1.87%.

Nikki White

- The State Street Russell 2000 NL Fund increased by \$432,693. The return was even with the index of 2.08%.
- Pictet increased by \$1,649,697. The return was 3.26% compared to the index return of 2.87%.
- Wells Fargo increased \$887,179. The return was 1.79% compared to the benchmark of 1.91%.
- Galliard decreased (\$82,317). The return was -0.18% compared to the index of -0.23%.
- Income Research decreased (\$1,032,016). The return was -1.99% compared to the index return of -1.91%.
- Brandes increased \$545,240. The return was 4.13% compared to the index return of 2.06%.
- Brookfield increased \$250,400. The return was 2.13% compared to the index return of 2.35%.
- Invesco decreased (\$294,867). The return was -1.34% compared to the index return of 0.88%.
- Brandywine had an increase of \$125,816. The fund returned 0.43% compared to the index return of -1.59%.
- Pyramis had an increase of \$276,934. The return was 1.12% compared to the index at -0.36%.
- Prudential had an increase of \$78,379. The return was 1.58% compared to the index at 1.38%.
- Blackstone had a decrease of (\$30,030). The fund returned -0.14% compared to the index return of -0.03%.
- Entrust had a decrease of (\$43,427). The return was -0.72% compared to the index return of -0.03%.
- Employee contributions for the month totaled \$228,672 and employer contributions totaled \$439,428. The public safety sales tax contribution was \$3,645,710.
- Gain/Loss in market value, including managers' fees was \$4,442,459 for the month. Total additions were \$8,785,310.
- Benefit payments totaled \$2,284,687. Return of contributions were \$140,295. Administrative expenses totaled \$47,824. Net increase to the Plan was \$6,312,504.
- Total Net Assets at the end of September were \$460,779,629.

Carter made a motion to approve the financials ending September 30, 2019; 2nd by Krafve. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
William Miletello	Age & Service	11/05/2019	11/18/2019	Police

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

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Larry Nichols	Final Pay	25.00	\$3,195.97	\$2,989.78
Ron Smith	COLA adjustment as of 7/1/2019			

Welsh made a motion to accept the calculation as presented above as well as the COLA adjustment for Ron Smith; 2nd by Carter. Vote all: Yes.

6. Board Member Nominations

The following nominations were presented:

Adam Carter – voting Fire member

Tony Kelley – non-voting Fire member

Marcus Walker – non-voting Police member

Ron Hoffman – Retiree member

Ed Cantrell – Retiree member

The election will be held the first full week in December.

Welsh made a motion to accept the nominations as presented above; 2nd by Krafve. Vote all: Yes.

7. Administrative Director's Report

Manley requested that the Board give her permission to submit the disability review invoices for payment when they come in. Martin-Hinds made a motion giving Manley the authority to submit the invoices for payment; 2nd by Krafve. Vote all: Yes.

Jan Finney, mother of Teresa Newton, shared her thoughts regarding the income verification process and the burden it places on disability recipients. She hopes the board will take a close look at the process and consider some revisions in the future.

8. Audit Report as of June 30, 2019 – Preliminary Draft

Kristen Hughes, RSM, presented the preliminary draft. There was an unmodified or clean opinion by RSM.

A comparative report was provided which shows a side-by-side comparison of 2018 versus 2019. The Plan's net position at the end of June was \$459,788,000 compared to June 2018 balance of \$428,665,000. The net investment income was \$17,757,000 compared to \$18,966,000 in 2018. The contributions and benefit payments were consistent with the prior year.

The net pension liability is \$128,083,687 compared to \$77,599,383 in 2018. The fiduciary net position as a % of total pension liability is 78% compared to 85% in 2018. The two main contributing factors in the changes are the change in the rate of return from 7.0% to 6.5% and the adoption of the new mortality table.

A final report will be presented and voted upon at the December meeting.

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

Carter made a motion to move to closed session at 9:15 a.m. pursuant to Section 610.021(1, 3, 13) RSMo.; 2nd by Milam. Vote Yes: Bridges, Carroll, Carter, Hoffman, Krafve, Martin-Hinds, Milam and Welsh. Vote no: none. Open session resumed at 9:00 a.m.

10. Duty Disability

Carter made a motion to approve the duty disability for Matt Lyon; 2nd by Milam. Vote all: Yes.

11. Small Cap Growth and Small Cap Value Presentations

Arrowmark and Alliance Bernstein presented information to the Board regarding their small cap growth investments. Systematic and Alliance Bernstein presented information regarding their small cap value investments.

Boucek of Segal Marco stated that all the managers are great options for the Plan. Their team doesn't feel the Board can go wrong with any of the managers.

Krafve made a motion to add Arrowmark as the small cap growth manager and Systematic as the small cap value manager; 2nd by Milam. Vote all: Yes.

12. Adjournment

Carter made a motion to adjourn the meeting; 2nd by Milam. Vote all: Yes. The meeting adjourned at 11:38 a.m. on November 14, 2019.