CITY of SPRINGFIELD

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

Minutes
February 13, 2020

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	
Tony Kelley (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, City Attorney's Office, and Gail Church, Human Resources Department, were also present.

2. Approval Meeting Minutes – January 9, 2020 (open session)

Carter made a motion to approve the January 9, 2020 minutes as presented; 2nd by Carroll. Vote all: Yes.

3. Approval of Financial Statement Ending December 31, 2019

- The cash balance at the end of December was $6,990,730.

- The State Street S&P 500 Flagship NL Fund increased by $2,649,814. The return was even with the index of 3.02%.
- The State Street Russell 2000 NL Fund increased by $644,617. The return was even with the index of 2.88%.
- Pictet increased by $1,809,159. The return was 3.30% compared to the index return of 3.25%.
- Wells Fargo increased $3,373,236. The return was 6.52% compared to the benchmark of 7.46%.
- Galliard increased $132,912. The return was 0.29% compared to the index of 0.17%.
- Income Research decreased ($626,750). The return was -1.96% compared to the index of -1.89%.
- Brandes increased $659,790. The return was 4.53% compared to the index return of 4.79%.
- Brookfield increased $53,697. The return was 0.44% compared to the index return of 0.49%.
- Invesco decreased ($23,917). The return was -0.06% compared to the index return of 2.37%.
- Vanguard had an increase of $43,466. The return was 0.25% compared to the index return of 0.36%.
- Pyramis had an increase of $694,233. The return was 2.74% compared to the index at 1.88%.
- Blue Ocean had an increase of $802,803. The return was 0.84% compared to the index of 0.06%.
- Blackstone had an increase of $164,453. The fund returned 0.76% compared to the index return of 0.66%.
- Entrust had a decrease of ($567,868). The return was 0.60% compared to the index return of 0.66%.
- IFM had an increase of $787,883. The return was 5.24% compared to the index of 4.25%.
- Employee contributions for the month totaled $217,511 and employer contributions totaled $419,775. Sales tax contributions totaled $3,235,307.
- Gain/Loss in market value, including managers' fees was $10,154,221 for the month. Total additions were $13,872,444.
- Benefit payments totaled $2,311,702. Administrative expenses totaled $38,045. Net increase to the Plan was $11,307,627.
- Total Net Assets at the end of December were $486,394,769.

Carroll made a motion to approve the financials ending December 31, 2019; 2nd by Welsh. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Lennis Marcotte	Age & Service	01/14/20	02/28/20	Fire
Kevin Fox	Surviving Spouse	01/08/20	N/A	Fire
James LeFors	Surviving Spouse	01/10/20	N/A	Fire
Michael Whitney	Surviving Spouse	01/16/20	N/A	Police

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

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Kevin Fox	Surviving Spouse	24.25	$4,626.35	$596.95
Jason Bisby	Age & Service	25.00	$5,291.52	$5,108.57
Michael Purse	Widow Final Check	30.05	$2,947.57	$855.75
James LeFors	Surviving Spouse	28.65	$3,656.99	$707.80
Betty Lurvey	Final Check	25.50	$1,986.57	$1,730.24
Michael Whitney	Surviving Spouse	25.20	$2,646.14	$256.08
William Miletello	Age & Service	20.00	$3,400.62	$1,535.77

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

6. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Jason Bisby	Age & Service	25.00	$159,708.88
Kevin Fox	Non-Duty Death	24.25	$174,441.22
William Miletello	Age & Service	20.00	$75,191.58

Carter made a motion to approve the return of contributions as presented above; 2nd by Krafve. Vote all: Yes.

7. Administrative Director Report

Manley presented an invoice for the fiduciary insurance coverage. The premium was increased 3% due to the lower funding ratio. Carroll made a motion to approve the yearly premium amount of $48,111 for the continuing the fiduciary insurance coverage; 2nd by Cater. Vote all: Yes.

Manley reported that the Systematic and Meridian contracts were reviewed by the Board attorney, Chip Sheppard, who provided his written recommendations. These funds will be funded using the current Russell 2000 fund.

The governance policy signatures for each board member are due February 20th. MAPERS will be held July 15-17th.

 Secretary Signature: Nikki White

Manley reminded the Board that they still need to make a decision regarding changing IR&M to a separate account. This would require a change in the IPS. Carroll made a motion to stay in the current IR&M fund; 2nd by Krafve. Vote all: Yes.

8. Quarterly Investment Report – Segal Rogerscasey

The beginning market value in July 2019 was $453,115,000. The ending market value in December 2019 was $478,752,000. The return on investment for the fiscal year is $27,027,000 which is 5.9%.

The Flagship Fund returned 9.07% which was even with the index. The Russell 2000 returned 9.94% which was even with the index. Pictet returned 7.28% compared to the benchmark of 8.17%. Brandes returned 8.75% compared to the index of 11.52%. Wells Capital returned 12.89% compared to the index of 11.84%. Galliard returned 0.79% compared to the index of 0.47%. IR&M returned -1.11% compared to the index of -1.12%. FIAM returned 3.81% compared to the benchmark of 1.81%. Prudential returned 1.34% compared to the index of 1.53%. Brookfield returned 1.26% compared to the index of 1.75%. EnTrust returned -1.03% compared to the benchmark of 1.67%. Blackstone returned 1.44% compared to the benchmark of 1.67%. Invesco returned 0.54% compared to the index of 5.58%. The total plan returned 5.25% for the quarter compared to the policy index of 5.52%.

Asset mixes for consideration – continued discussion. Hungerbuhler suggested that the Board adopt the adjusted target mix at a minimum simply to update the IPS to reflect truly where the fund is since there's an allocation that's in the current allocation that is not actually funded. Boucek said that we could look at some private markets and not step out on a ledge that is scary or imprudent. Several agreed that an educational session would be beneficial prior to making any changes.

Welsh exited the meeting at 9:37 a.m. and didn't return.

Manley reminded the Board that if the fund reaches 100% funded in the next few years the liquidity of the fund will change.

Krafve made a motion to table the asset mix allocation changes until the Board receives more education on private credits and private equities; 2nd by Carroll. Vote all: Yes.

Segal Rogerscasey will work on an educational session to be presented in either March or May.

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

Carter made a motion to move to closed session at 9:53 a.m. pursuant to Section 610.021(1, 3, 13) RSMo.; 2nd by Carroll. Vote Yes: Bridges, Carroll, Carter, Hoffman, Krafve and Welsh. Vote no: none. Open session resumed at 9:57 a.m.

10. Income Verification

Name	2020 Adjusted Pension Amt
Brian Humphreys	$3,032.85
Kelly Roth	$2,753.21

 02/13/20 Secretary Signature: Nikki White

The following retirees need to be reinstated to their full monthly pension amount effective February 1, 2020.

Name	Full Monthly Pension Amt
Doug Orr	$3,243.63 February only
Doug Orr	$3,455.02 March-December
Richard Chism	$4,258.61 February only
Richard Chism	$3,793.88 March-December

The following individuals have not supplied the requested information. It is recommended that their pension be reduced to $0.00 until the information is supplied: Teresa Newton, Robert Sperberg.

Bridges made a motion to approve the 2020 pension amounts as presented above; 2nd by Carroll. Vote all: Yes.

11. Adjournment

Carroll made a motion to adjourn the meeting; 2nd by Carter. Vote all: Yes. The meeting adjourned at 9:59 a.m. on February 13, 2020.

 Secretary Signature: Nikki White