CITY of SPRINGFIELD

POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

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

Minutes
March 12, 2020

1. Call to Order

Bridges called the meeting to order at 8:33 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, Gail Church, Human Resources Department, Troy Smith and Ken Reynolds were also present.

2. Approval of Financial Statement Ending January 31, 2020

- The cash balance at the end of January was $1,309,701.
- The State Street S&P 500 Flagship NL Fund decreased by ($34,329). The return was even with the index of -0.04%.

- The State Street Russell 2000 NL Fund decreased by ($748,308). The return was even with the index of -3.21%.
- Pictet decreased by ($1,551,205). The return was -2.75% compared to the index return of -2.09%.
- Wells Fargo decreased ($2,188,485). The return was -4.02% compared to the benchmark of -4.66%.
- Galliard increased $587,325. The return was 1.29% compared to the index of 1.21%.
- Income Research increased $2,691,373. The return was 5.32% compared to the index of 5.22%.
- Brandes decreased ($665,367). The return was -4.23% compared to the index return of -3.16%.
- Brookfield decreased ($71,810). The return was -0.59% compared to the index return of 0.84%.
- Invesco decreased ($646,043). The return was -2.77% compared to the index return of -0.14%.
- Vanguard had an increase of $6,076,861. The return was even with the index return of 0.88%. There was $5,905,583 transferred in.
- Pyramis had an increase of $383,156. The return was 1.47% compared to the index at 1.74%.
- Blue Ocean had an increase of $1,373,855. The return was 0.58% compared to the index of 1.92%.
- Blackstone had an increase of $62,562. The fund returned 0.28% compared to the index return of 0.58%.
- Entrust had an increase of $648. The return was -0.76% compared to the index return of 0.58%. There was a distribution of $913,001 that is in the UMB cash sweep account. December estimate was understated by $700,000.
- IFM had a decrease of ($2,188,485). The return was -4.02% compared to the index of -4.66%.
- Employee contributions for the month totaled $224,118 and employer contributions totaled $432,362. Sales tax contributions totaled $3,055,481.
- Gain/Loss in market value, including managers' fees was ($1,125,847) for the month. Total additions were $2,586,170.
- Benefit payments totaled $2,310,527. Administrative expenses totaled $17,879. Net increase to the Plan was $257,764.
- Total Net Assets at the end of January were $486,695,288.

Carter made a motion to approve the financials ending January 31, 2020; 2nd by Hoffman. Vote all: Yes.

Milam entered the meeting at 8:40 a.m.

3. Approval Meeting Minutes – February 13, 2020 (open session)

Sheppard requested that under the administrative director's report that the minutes read that the "contracts were reviewed by the Board attorney, Chip Sheppard, who provided his written recommendations" rather than saying he approved the contracts.

Carter made a motion to approve the February 13, 2020 minutes as presented with the change requested by Sheppard; 2nd by Welsh. Vote all: Yes.

4. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Steven McMurray	Age & Service	25.00	$3,979.84	$274.47
Brian Reeves	Age & Service	25.00	$5,365.83	$5,365.86
Ronald Jones	Widow Final Check	26.7	$2,540.60	$175.21

Manley reported that Doug Orr needs to be reinstated to his full monthly pension amount effective March 1st. The March payment will be $3,666.41. The April – December payments will be $3,455.02.

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

5. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Brian Reeves	Age & Service	25.00	$83,225.06
Steven McMurray	Age & Service	25.00	$56,688.95

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

6. Administrative Director Report

Manley reported that MAPERS will be held July 15-17th.

The Segal Rogerscasey contract has been extended through June 2021 with an annual rate of $94,288 which is the same rate. We will be doing an RFP for the actuary later this year.

Troy Smith requested to address the Board concerning his buyback calculation. Smith resigned from the police force in late 2011. At that time, he turned in a retirement application. Manley informed him by a letter dated November 22, 2011, that the application wasn't necessary until he elected to retire. The letter also informed him that at any time prior to his eligibility for a retirement pension, he could purchase additional years of service. The letter stated that he may make this buy-back from today (November 22, 2011) through the time in which he is pension eligible and to contact Manley when he elects to buy-back the service.

Smith stated that he was an officer here for about 17 ½ years and previously worked five years in Vermont. In 2011 he was contemplating retirement. He went to see Jim Edwards who at the time was the police representative on the Board. Edwards confirmed with him that he could draw a retirement at the age of 50 as long as he left his ROC in the fund. Edwards also helped him draft a memo to the Board. He wanted to speak to a second source so David Hall, fire chief and Board member at the time, discussed the buyback process with him. Smith said that he felt everything made sense and that he had talked with two trusted members of the Board, so he followed Edwards advice and submitted the memo to the Board. About three months later, Manley sent everything back with a memo saying that to bring everything back whenever he's eligible and that he could buyback time from now until the time he's eligible to draw a pension. Smith said that it made sense with what everyone else had told him. He said he didn't think anything about it for about eight more years. He based all his financial and life decisions on the assumption that he would be eligible to draw retirement at the age of 50. As the time approached for his 50th birthday, he contacted Manley. Manley put him in touch with Maryjo Kerringer with the City's finance department. Kerringer informed him that he was not eligible to retire. She said he wasn't eligible until the age of 60. He said that wasn't his understanding at all, so he contacted Manley again. It was then determined that he could buyback time and so the calculation was completed by Milliman. The amount came back at $500,000. He didn't understand why it was so high compared to others who had purchased time. Manley told him that it was based on age 60 since that is when he can retire. Smith said that he didn't know if the Board has discretion or the ability to help, but all he knows is that he trusted two men that were on the Board in 2011. He thought they had his best interest at heart, and he took their word that they were right. He wishes now that he would have taken everything to an attorney at the time. He said the issue is not being able to draw a retirement at the age of 50 like he thought.

Bridges said that the Board isn't in a position today to give any intelligent feedback, but he assured Smith that it would be discussed with Willoh in closed session. He said that Board would look at it closely and seriously. Ken Reynolds, Smith's attorney, asked if the Board has an opinion now if Smith can retire at age 50 or 60? Manley said that he can retire at 50, but it would cost $500,000. Smith said he thought that was the number for age 60. Manley said no, it is the amount for age 50. Welsh said that he feels by looking at the code sections that Smith reaches retirement at the age of 50. Bridges said that is what the Board and Willoh will need to look at. Smith added that if anyone had told him that he needed to purchase the time in 2011, he would have done that. His ROC funds were there and still are in the fund. Bridges assured Smith that the Board would be in touch as soon as possible. Smith thanked the Board for their time.

Smith and Reynolds left the meeting at 8:57 a.m. and didn't return.

7. Quarterly Investment Report Approval

Fraley approved the quarterly investment report that was presented by Segal Rogerscasey at the February Board meeting; 2nd by Carter. Vote all: Yes.

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

Fraley made a motion to move to closed session at 8:58 a.m. pursuant to Section 610.021(1, 3, 13) RSMo.; 2nd by Welsh. Vote Yes: Bridges, Carter, Fraley, Hoffman, Milam and Welsh. Vote no: none. Open session resumed at 9:15 a.m.

9. Adjournment

Carter made a motion to adjourn the meeting; 2nd by Milam. Vote all: Yes. The meeting adjourned at 9:16 a.m. on March 12, 2020.

 Secretary Signature: Nikki White