CITY of SPRINGFIELD

POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

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

Minutes
September 10, 2020

1. Call to Order

Bridges called the meeting to order at 8:30 a.m. The meeting was held at the Hilton Garden Inn - 4155 S. Nature Center, Springfield, MO 65804. 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	
Marcus Walker	Police		X
Ed Cantrell (NV)	Retiree		X
Tony Kelley (NV)	Fire	X	
Matt Shackelford (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

Matt Shackleford was the voting member in Walker's absence.

2. Approval Meeting Minutes – August 13, 2020

Carter said that Lambeth and McKinney's retirement dates were switched. Carter made a motion to approve the August 13, 2020 minutes with the change in retirement dates for Lambeth and McKinney; 2nd by Hoffman. Vote all: Yes.

3. Approval of Financial Statement Ending July 31, 2020

- The cash balance at the end of July was $6,077,286.

- The State Street S&P 500 Flagship NL Fund increased by $4,967,782. The return was even with the index of 5.64%.
- The State Street Russell 2000 NL Fund increased by $564,336. The return was even with the index of 2.77%.
- Pictet increase by $288,228. The return was 0.64% compared to the index return of 2.33%.
- Wells Fargo increased $4,074,927. The return was 7.72% compared to the benchmark of 8.94%.
- Galliard increased $469,284. The return was 1.02% compared to the index of 0.57%.
- Income Research increased $3,233,796. The return was 5.49% compared to the index of 5.31%.
- Brandes increased $608,609. The return was 4.72% compared to the index return of 5.22%.
- Brookfield increased $192,353. The return was 2.03% compared to the index return of 2.78%.
- Invesco increased $600,575. The return was 3.38% compared to the index return of 4.47%.
- Vanguard had a decrease of ($2,766,676). The return was 0.78% compared to the index of 0.72%. There was a distribution of $1,383,182 to Blue Ocean and 1,529,385 was transferred to cash.
- Pyramis had an increase of $690,439. The return was 2.79% compared to the index at 3.70%.
- Blue Ocean had an increase of $1,158,744. The return was 0.72% compared to the index of 1.49%.
- Blackstone had an increase of $225,071. The fund returned 1.03% compared to the index return of 1.54%.
- Entrust had a decrease of ($182,710). The fund returned -1.83% compared to the index of return of 1.54%.
- IFM had an increase of $10,867. The fund returned 0.07% compared to the index of 2.94%.
- Employee contributions for the month totaled $134,753 and employer contributions totaled $261,550.
- Gain/Loss in market value, including managers' fees was $15,665,009 for the month. Total additions were $16,382,874.
- Benefit payments totaled $2,458,444. Refunds of contributions totaled $1,744,839. Administrative expenses totaled $21,423. Net increase to the Plan was $12,158,168.
- Total Net Assets at the end of July were $493,336,496.

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

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Tony Kelley	Duty Disability	08/24/20	N/A	Fire
Todd King	Surviving Spouse	08/25/20	N/A	Police
Troy Smith	Age & Service	09/01/20	04/12/20	Police
Michael Terrill	Age & Service	09/01/20	05/05/20	Police

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

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Lawrence Bess	Final Check	15.35	$3,809.91	$127.00
Chad Eutsler	Age & Service	25.26	$6,39.45	$618.43
James Hinkle	Age & Service	20.58	$4,040.76	$2,346.25
Todd King	Final Check	25.00	$6,262.46	$3,232.24
Todd King	Surviving Spouse	25.00	$5,367.82	$2,597.33
Gregory McKinney	Age & Service	20.15	$3,988.29	$385.96
Troy Smith	Age & Service	20.00	$4,041.14	$2,559.39
Michael Terrill	Age & Service	20.20	$3,190.18	$2,778.55

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

6. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Chad Eutsler	Age & Service	25.26	$214,784.74
James Hinkle	Age & Service	20.50	$167,425.58
Greg McKinney	Age & Service	20.00 (1.5 yrs buy back)	$121,071.59
Michael Terrill	Age & Service	20.00 (4 yrs buy back)	$4,011.90
Troy Smith	Age & Service	20.00 (2.5 yrs buy back)	$37,804.55

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

7. Administrative Director Report

Manley reported that the discussion regarding ordinance 2-477 was bumped from the September 9th Council agenda. It will now be on the October 14th agenda. Manley also informed the Board that Fraley will be leaving the Board. His replacement with be Andy Stewart. Stewart works for Morgan Stanley. It will take a few months for Stewart to be approved by Council. Fraley will remain a Board member until then.

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

Martin-Hinds made a motion to move to closed session at 8:44 a.m. pursuant to Section 610.021(1, 3, 13) RSMo.; 2nd by Carter. Vote Yes: Bridges, Carter, Hoffman, Krafve, Martin-Hinds, Milam and Shackelford. Vote no: none. Open session resumed at 9:08 a.m.

9. Administrative Director's Contract

The Board approved during the closed session to extend Manley's contract another year with a 5% increase.

10. Invoice

Manley presented a bill for Ciox Health that was left off Lennis Marcotte's disability review by Stubbe. Martin-Hinds made a motion to approve the Ciox Health invoice in the amount of $66.08; 2nd by Milam. Vote all: Yes.

11. Asset Allocation Discussion – Segal Marco

Jeff Boucek and Rob Hungerbuhler joined the meeting via conference call.

Asset allocation is a primary driver of investment returns. The key inputs into setting the structure include the long-term investment objectives (return assumption), risk tolerances, cash expenditures and ensuring assets will adequately cover expenditures. Capital market assumptions for risk, return and correlations across asset classes are also key inputs. Characteristics that need to be considered are sustainability of assets, earnings assumption, demographics, projected cash flow, liquidity needs and risk tolerance.

Segal Marco presented five different mixes for consideration. They also recommended adding and additional commitment (~20M) to private credit, helping gain exposure to improved risk/return metrics relative to current core and long duration fixed income allocations. They would like for the Board to interview one or two firms at the October meeting.

Segal Marco also recommends modest refinements to the current target allocation. This would include a potential inclusion of one new asset class – private equity. They would also like to revisit the US equity relationship with developed international & emerging equity and to revisit the real estate structure. This would include adding diversification away from traditional "core" exposures to include government properties (Boyd Watterson) and/or value add/opportunistic real estate.

It was suggested that the investment subcommittee meet to discuss the asset allocation mixes and report back to the Board.

12. Duty Disability Review – Tony Kelley

Carter made a motion to approve Kelley's duty disability pending Manley's receipt of the documentation from Kelley's cardiologist; 2nd by Krafve. Vote all: Yes.

13. Board iPads

White presented some options for the Board to consider regarding purchasing iPads for Board member use. The cost would be around $370 per member for the iPad and case. Not only would this save on paper and printing costs, but it would make the Board documents more easily accessible. Past documents and reports could easily be accessed using Google Drive. The Board asked for the cost savings to be presented to justify the cost. White added that the same process could also be used if Board members wanted to use their own devices.

14. Adjournment

Carter made a motion to adjourn the meeting; 2nd by Milam. Vote all: Yes. The meeting adjourned at 10:06 a.m. on September 10, 2020.