CITY of SPRINGFIELD

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

Minutes
December 16, 2021

1. Call to Order

Milam called the meeting to order at 8:35 a.m. The meeting was held at the Busch Municipal Building, 840 Boonville Avenue. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Justin Milam	President	X	
Mike Bridges	Citizen		X
Adam Carter	Fire	X	
Ron Hoffman	Retiree	X	
Nancy Martin-Hinds	Citizen	X	
Chad Munsey	Citizen	X	
Justin Setser	Citizen	X	
Matt Shackelford	Police		X
Andy Stewart	Citizen	X	
Ed Cantrell (NV)	Retiree		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

Gail Church and Lance Roskens were also present. Walker was the voting police representative in Shackelford's absence.

2. Approval Meeting Minutes – November 18, 2021

Walker made a motion to approve the November 18, 2021 minutes as presented; 2nd by Carter. Vote all: Yes.

3. Approval of Financial Statement Ending October 31, 2021

- The cash balance at the end of October was 601,344.
- Galliard decreased ($197,486). The return was -0.39% compared to the index of -0.43%.

- Income Research increased $405,878. The return was 1.57% compared to the index of 1.63%.
- Blackstone had an increase of $37,658. The fund returned 0.15% compared to the index return of 0.62%.
- Brookfield increased $651,917. The return was 4.75% compared to the index return of 5.98%.
- Vanguard had an increase of $2,106,486. The return was -0.50% compared to the index of -0.52%. Transferred in $5.8 million from Entrust Recover and transferred out $3.5 million to Blue Ocean (Net increase of $2.2 million contribution.
- Brandes decreased ($240,914). The return was -1.18% compared to the index return of 1.53%.
- Entrust Capital decreased ($4,212). The return was 2.40% compared to the index return of 0.62%. $72,385 was distributed from fund and is being held in the Entrust cash account.
- Entrust Global Recovery had an increase of $2,314,054. The fund returned 1.53% compared to the index of return of -0.03%. Contribution made of $2.157 million.
- Blue Ocean had an increase of $4,029,891. The return was 0.49% compared to the index of -0.03%. Contribution made of $3.5 million.
- Invesco increased $265,545. The return was 1.26% compared to the index return of 2.98%.
- Meridian had an increase of $241,911. The fund returned 1.61% compared to the index return of 4.68%.
- Marathon had a $355,074 increase. The fund returned 3.51% compared to the index of -0.03%.
- Pictet increased by $725,424. The return was 1.11% compared to the index return of 2.46%.
- Fidelity had a decrease of ($11,381). The return was -0.04% compared to the index at 0.06%.
- IFM had an increase of $7,650. The fund returned 0.04% compared to the index of 3.72%.
- Systematic had an increase of $676,608. The fund returned 4.28% compared to the index return of 3.81%.
- Wells Fargo decreased ($283,841). The return was -0.45% compared to the benchmark of 0.99%.
- LGT increased $179,242. The return was 1.85% compared to the benchmark of 6.76%.
- The State Street S&P 500 Flagship NL Fund increased by $8,731,894. The return was even with the index of 7.01%.
- Employee contributions for the month totaled $204,521 and employer contributions totaled $394,503. The public safety sales tax contributions were $3,506,303 for the month.

- Gain/Loss in market value, including managers' fees was $11,992,079 for the month. Total additions were $16,097,406.

- Benefit payments totaled $2,591,242. Refunds of contributions totaled $228,996. Administrative expenses totaled $40,634. Net increase to the Plan was $13,236,533.

- Total Net Assets at the end of October were $610,836,768.

Shackelford made a motion to approve the financials ending October 31, 2021; 2nd by Hoffman. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Marvin Ringgold	Age & Service	12/08/2021	02/14/2022	Police
David Cook	Age & Service	11/17/2021	02/15/2022	Fire
Bari Berger	Vested	11/29/2021	12/19/2021	N/A
Bjorn Schwind	Age & Service	12/08/2021	02/14/2022	Police
Kevin Trogdon	Age & Service	12/06/2021	01/13/2022	Fire
Michael Lucas	Age & Service	12/06/2021	02/24/2022	Police
Bryan DiSylvester	Vested	12/01/2021	03/17/2022	N/A

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

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Bari Berger	Vested	11.17	$1,378.83	$622.70
Flint Roufs	Age & Service	25.02	$6,250.00	$5,443.55

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

6. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Flint Roufs	Age & Service	25.00	$219,360.54
Bari Berger	Vested	11.17	$47,825.55

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

7. Administrative Director Report

Manley presented an invoice from Miller & Associates for the monthly payroll preparation and quarterly and annual payroll tax reports in the amount of $1,256.00. This is the total for the year. Walker made a motion to pay the invoice as presented; 2nd by Stewart. Vote all: Yes.

Police Election Results:
Jason Friend – 24 votes
Bryan Welch – 17 votes
Aaron Cassity – 4 votes

Friend will be the voting police member and Welch will be the non-voting.

Fire Election Results:
Adam Carter (voting candidate) – 19 votes
Jaime Frieze – one write-in vote
Mark Phillips (non-voting candidate) – 20 votes

Anita Cotter, City Clerk, certified the results.

8. Quarterly Investment Report – Segal Rogerscasey

Jeff Boucek presented the quarter report as of September 30, 2021.

The beginning market value in July 2021 was $599,200,000. The ending market value in September 2021 was $592,328,000. The return on investment for the fiscal year is ($7,022,000) which is -1.15%.

The Flagship Fund returned 0.56% compared to the index of 0.58%. ArrowMark returned -1.07% compared to the index of -5.65%. Systematic returned -2.72% compared to the index of -2.98%. Pictet returned 0.02% compared to the benchmark of -0.45%. Brandes returned 1.18% compared to the index of 0.90%. Wells Capital returned -13.52% compared to the index of -8.09%. Galliard returned 0.24% compared to the index of 0.05%. IR&M returned 0.28% compared to the index of 0.07%. Vanguard returned 0.13% compared to the index of 0.09%. FIAM returned -0.11% compared to the benchmark of -0.70%. Prudential returned 7.77% compared to the index of 6.95%. Brookfield returned -2.16% compared to the index of -0.90%. EnTrust Diversified Fund returned -4.07% compared to the benchmark of 1.01%. Blackstone returned 1.16% compared to the benchmark of 1.01%. EnTrust Blue Ocean returned 0.00% compared to the index of 0.05%. Loomis returned 0.31% compared to the index of 0.05%. IFM returned 4.81% compared to the index of -0.25%. Invesco returned -1.46% compared to the index of -0.91%. The total plan returned -1.15% for the quarter compared to the policy index of -0.77%.

Stewart made a motion to accept the quarterly investment report as of September 30, 2021 as presented; 2nd by Carter. Vote all: Yes.

9. Investment Rate of Return

Milam said that the Board is considering lowering the investment rate of return. Milliman has said that anywhere from 6-6.5% is a reasonable number. Carter added that this a closed plan, so it makes it unique. He thinks everyone agrees that it needs to be lowered over time. Boucek said they ran our current target through the model right now. The 10-year model says 6.0% and the 20-year is 6.9%. He said this is for passive investments. He takes about 40-45 basis points and tacks it on for active management. If you're financially able to absorb a discount, he would support it. It is a closed fund. If you take it down to 6.0%, we will start looking at risk and volatility. Boucek exited the meeting and didn't return.

Milam said that it sounds like Segal isn't opposed to lowering the rate to 6.0%. Carter added that Milliman is comfortable with 6.0%. Manley said that each .5% will change the funded liability by 3-5%, but as we have positive returns that will lessen the impact on the investment rate change.

Stewart made a motion to lower the investment rate of return to 6.0%; 2nd by Walker. Vote all: Yes.

Several mentioned that this a closed plan with declining active membership. Setser said our plan performance since 2011 has been 5.93%.

10. Audit Report as of June 30, 2021

Carter made a motion to approve the final audit report as of June 30, 2021; 2nd by Setser. Vote all: Yes.

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

Carter made a motion to move to closed session at 9:54 a.m. pursuant to Section 610.021(1, 3, 12, 13) RSMo.; 2nd by Hoffman. Vote Yes: Carter, Hoffman, Martin-Hinds, Milam, Munsey, Setser, Stewart and Walker. Vote no: none. Open session resumed at 9:52 a.m.

12. Adjournment

Martin-Hinds made a motion to adjourn the meeting; 2nd by Stewart. Vote all: Yes. The meeting adjourned at 10:29 a.m. on December 16, 2021.