CITY of SPRINGFIELD

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

Minutes
June 9, 2022

1. Call to Order

Stewart called the meeting to order at 8:31 a.m. The meeting was held at the Busch Municipal Building, 840 Boonville Avenue. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Andy Stewart	President	X	
Mike Bridges	Citizen	X	
Adam Carter	Fire	X	
Jason Friend	Police	X	
Ron Hoffman	Retiree		X
Nancy Martin-Hinds	Citizen		X
Justin Milam	Citizen		X
Chad Munsey	Citizen	X	
Justin Setser	Citizen	X	
Ed Cantrell (NV)	Retiree		X
Mark Phillips (NV)	Fire		X
Bryan Welch (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, Lance Roskens, Charles Cowherd and Jody Vernon were also present.

2. Approval Meeting Minutes – May 12, 2022

Bridges made a motion to approve the May 12, 2022 minutes as presented; 2nd by Carter. Vote all: Yes.

3. Approval of Financial Statement Ending April 30, 2022

- The cash and short-term investments balance at the end of April was $4,263,324. The cash – UMB investments balance was $5,780,650.
- Galliard decreased ($1,117,612). The return was -2.47% compared to the index of -2.52%.

- Income Research decreased ($1,857,384). The return was -8.88% compared to the index of -9.30%.
- Blackstone had a decrease of ($19,273). The fund returned -0.80% compared to the index return of -0.02%.
- Brookfield decreased ($671,376). The return was -5.07% compared to the index return of -5.48%.
- Vanguard had a decrease of ($940,397). The return was even the index of -1.31%. Redeemed $600,000 for capital call for Marathon.
- Brandes decreased ($1,012,182). The return was -5.58% compared to the index return of -7.13%.
- Entrust Capital decreased ($489,209). The return was -20.84% compared to the index return of -0.02%.
- Entrust Global Recovery had an increase of $1,258,400. The fund returned -4.30% compared to the index of return of -3.79%. $1,796,499 capital call in April redeemed from Entrust cash account.
- Blue Ocean had an increase of $2,880,962. The return was 5.80% compared to the index of -3.79%. There was a capital call of $1.2M this month redeemed from Entrust cash.
- Invesco decreased ($318,646). The return was -1.40% compared to the index return of -6.97%.
- Meridian had a decrease of ($821,223). The fund returned -8.63% compared to the index return of -12.27%.
- Marathon had an increase of $452,533. The fund returned -1.06% compared to the index return of -3.79%. Capital call of $600,000 in April transferred from VG – recorded quarterly.
- Pictet decreased by ($4,201,274). The return was -7.26 % compared to the index return of -6.47%.
- Fidelity had a decrease of ($1,130,499). The return was -4.56% compared to the index at -5.48%.
- IFM had an increase of $6,198. The fund returned -0.03% compared to the index of -3.64%.
- Systematic had a decrease of ($989,819). The fund returned -6.11% compared to the index return of -7.76%.
- Wells Fargo decreased ($3,598,302). The return was -6.54% compared to the benchmark of -5.56%.
- LGT decreased ($67,354). The return was -2.35% compared to the benchmark of -8.97%. Capital call of $227,500 in April transferred from Entrust cash account.
- The State Street S&P 500 Flagship NL Fund decreased by ($11,510,142). The return was even with the index of -8.72%.
- Employee contributions for the month totaled $178,317 and employer contributions totaled $347,744. The public safety sales tax contributions were $3,314,360 for the month.

- Gain/Loss in market value, including managers' fees was ($27,395,449) for the month. Total additions were ($23,555,028).

- Benefit payments totaled $2,689,081. Refunds of contributions totaled $25,485. Administrative expenses totaled $25,485. Net increase to the Plan was ($26,269,594).

- Total Net Assets at the end of April were $563,871,346.

Setser made a motion to approve the financials ending April 30, 2022; 2nd by Munsey. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Dale Sokolik	Age & Service	05/25/2022	06/21/2022	Police

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

5. Administrative Director Report

Manley reported that the RFP for the investment consultant is being rebid. The wrong IPS was used in the initial bid. The new deadline is June 30th. The responses will be reviewed on July 19th.

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

Carter made a motion to move to closed session at 8:56 a.m. pursuant to Section 610.021(1, 3, 12, 13) RSMo.; 2nd by Munsey. Vote Yes: Bridges, Carter, Friend, Munsey, Setser and Stewart. Vote no: none. Open session resumed at 8:58 a.m.

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

Bridges made a motion to move to closed session to include board members, Manley and chosen legal counsel at 9:00 a.m. pursuant to Section 610.021(1, 14) RSMo.; 2nd by Friend. Vote Yes: Bridges, Carter, Friend, Munsey, Setser and Stewart. Vote no: none. Open session resumed at 9:47 a.m. and there was a break until 9:53 a.m.

8. Liquidity Study – Segal Marco

Patrick O'Neill, Segal Marco, presented a liquidity and liability analysis. The Plan has a higher than average funding ratio of 98% with a lower than average target rate of 6.50% (vs. public averages of 75% and 7.07% respectively. The Plan has lower than average demographics, with 0.26 actives per inactive (vs. 1.5 average). The annual cash flows as a percent of total assets (+3.1%) have been better than average (-2.6%). The Fund has diversification from a liquidity standpoint. 13% of assets are in less liquid tiers (26% once all capital is called). Based on the funding ratio, demographics, and cash flows, the Fund has some ability to add dollars to the less liquid asset classes to try and capture additional returns in the form of an illiquidity premium.

The investment return assumption for the Fund is 6.5%. Based on our 2022 capital market assumptions and the current asset allocation, the 10-year and 20-year geometric projected returns are 6.3% and 6.8% respectively. The rest of the analysis will helped identify potential areas of opportunities from a liquidity premium standpoint. Several graphs and charts were presented as a part of the analysis. The full report is available upon request.

Setser and Lear exited the meeting during the liquidity study report.

9. Quarterly Investment Report – Segal Marco

Rob Hungerbuhler presented the quarter report as of March 31, 2022.

The beginning market value in July 2022 was $598,887,000. The ending market value in March 2022 was $589,594,000. The return on investment for the fiscal year is ($16,994,000) which is -2.9%.

The Flagship Fund returned -4.60% which was even with the index. ArrowMark returned -9.12% compared to the index of -12.63%. Systematic returned -4.91% compared to the index of -2.40%. Pictet returned -8.83% compared to the benchmark of –5.91%. Brandes returned -5.87% compared to the index of -8.53%. Allspring returned -7.91% compared to the index of -6.97%. Galliard returned -4.57% compared to the index of -4.69%. IR&M returned -10.46% compared to the index of -10.95%. Vanguard returned -3.81% compared to the index of -3.65%. FIAM returned -7.36% compared to the benchmark of -10.02%. Prudential returned 6.49% compared to the index of 7.97%. Brookfield returned -1.63% compared to the index of -3.95%. EnTrust Diversified Fund returned -1.15% compared to the benchmark of 0.14%. Blackstone returned 0.04% compared to the benchmark of 0.14%. EnTrust Blue Ocean returned 8.17% compared to the index of -5.93%. IFM returned 1.22% compared to the index of 3.72%. Invesco returned -5.45% compared to the index of -5.58%. The total plan returned -4.03% for the quarter compared to the policy index of -4.69%.

Bridges exited the meeting during the quarterly investment report. Due to no having a quorum, the quarterly investment report will be approved in July.

10. Adjournment

Munsey made a motion to adjourn the meeting; 2nd by Carter. Vote all: Yes. The meeting adjourned at 11:06 a.m. on June 9, 2022.

 Secretary Signature: Nikki White