CITY of SPRINGFIELD

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

Minutes
October 10, 2024

1. Call to Order

Setser 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
Justin Setser	President	X	
Jason Friend	Police	X	
Jamie Frieze	Fire		X
Ron Hoffman	Retiree		X
Chad Munsey	Citizen		X
Laura Robinson	Citizen	X	
Andy Stewart	Citizen		X
Jonathan Winn	Citizen	X	
Ann Young	Citizen	X	
Andrew McPherson (NV)	Retiree	X	
Mark Phillips (NV)	Fire	X	
Bryan Welch (NV)	Police		X
David Holtmann (NV)	Finance	X	
Matt Simpson (NV)	City Council Liaison	X	
Tony Kelley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = non-voting

Lance Roskens was also present. McPherson was the voting retiree member in Hoffman's absence. Phillips was the voting member in Frieze's absence.

2. Approval of Meeting Minutes – September 12, 2024

Friend made a motion to approve the September 12, 2024 minutes as presented; 2nd by Robinson. Vote all: Yes.

3. Approval of Financial Statement Ending August 31, 2024

- The cash and short-term investments balance at the end of August 1,034,343. The cash – UMB investments balance was $15,754,925.
- IRM increased $70,512,520. The fund returned 1.18% compared to the index return of 1.40%. $69.88 million was transferred in from other investments.

- Acadian Emerging Markets increased $324,690. The fund returned 1.77% compared to the index return of 1.60%.

- Blackstone increased $192,034. The fund returned 0.66% compared to the index return of 0.20%.

- $13 million was transferred from Brandes to other investments.

- Fidelity INTL Index had an increase of $2,343,304. The fund returned 3.25% compared to the index of 3.30%.

- IFM had an increase of $108,635. The fund returned 0.48%.

- Loomis Sayles had an increase of $49,786,968. The fund returned 1.18% compared to the index return of 1.40%.

- LGT had an increase of $249,438. The fund returned 1.33% compared to the index return of 2.20%.

- $12.5 million was transferred to Black Rock Russell.

- Baird Core Plus increased by $10,214,508. The return was 1.83% compared to the index of 1.40%. $9 million was transferred from Brandes.

- Employee contributions for the month totaled $220,239 and employer contributions totaled $422,301.

- Gain/Loss in market value, including managers' fees, was $8,782,923 for the month. Total additions were $9,425,463.

- Benefit payments totaled $3,176,936. Return of contributions totaled $588,627. Administrative expenses totaled $26,562. Net increase to the Plan was $5,633,067.

- Total Net Assets at the end of August were $710,486,207.

Robinson made a motion to approve the financials ending August 31, 2024; 2nd by Friend. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Chris Mann	Age & Service	09/23/2024	11/01/2024	Fire
Don Miller	Surviving Spouse	09/23/2024	N/A	Fire

Young made a motion to accept the applications as presented; 2nd by Friend. Vote all: Yes.

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Anthony Strain	Final Pay	9.00	$4,043.38	$3,369.48
Donald Miller	Final Pay	20.81	$3,068.59	$1,534.30
Donald Miller	Surviving Spouse	20.81	$2,523.15	$1,261.57
Eric Jones	Age & Service	20.31	$4,030.58	$520.07
Micah Tannery	Age & Service	21.43	$3,879.89	$250.32
Danny Simmons	Age & Service	20.21	$5,572.01	$4,274.87
Jason Trusler	Age & Service	22.65	$6,176.75	$996.25
Steven Ramey	Age & Service	21.72	$5,759.56	$371.58
Frances Morrissey	Final Pay Spouse	N/A	$1,916.12	$1,668.88

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

6. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Jason Trusler	Age & Service	22.64	$239,084.30
Danny Simmons	Age & Service	20.20	$209,327.32
Steve Ramey	Age & Service	21.70	$218,979.03
Eric Jones	Age & Service	20.35	$151,260.35
Micah Tannery	Age & Service	21.40	$162.722.90

Young made a motion to accept the return of contributions as presented above; 2nd by Friend. Vote all: Yes.

7. Administrative Director's Report

Kelley presented an invoice in the amount of $315.00 for NCPERS membership. McPherson made a motion to approve the invoice as presented; 2nd by Robinson. Vote all: Yes.

Councilman Simpson reported that the sales tax proposal will be on the November 5th ballot. City Council is educating, not advocating. He's happy to speak at meetings or events as this is his top priority.

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

Friend made a motion to move to closed session at 8:46 a.m. pursuant to Section 610.021(1, 12 and 14) RSMo.; 2nd by Young. Vote Yes: Friend, McPherson, Phillips, Robinson, Setser, Winn and Young. Vote no: none. Open session resumed at 8:51 a.m.

9. Secretary Contract

Phillips made a motion to renew White's contract for an additional year with a $3,000 increase; 2nd by Robinson. Vote all: Yes.

10. Actuarial Valuation as of June 30, 2024 - Milliman

Ryan Falls with Milliman presented the report.

Trust fund investments experience second strong year.
Market value of assets returned approximately 11.3% for the plan year.
Actuarial (smoothed) value of assets returned approximately 6.7% for the plan year.
▪ AVA return resulted in a $4.5 million gain on the unfunded liability
▪ Deferred investment gains of $4.2 million will be reflected in future valuations

Current Sales Tax Commitment Ends in April.
▪ Unfunded liability is $37.7 million as of July 1, 2024.
▪ Unfunded liability is projected to be close to zero when current sales tax commitment ends
– Unfunded liability projected to be $3.0 million on July 1, 2025.
▪ Remaining payroll contributions for active members are not projected to be enough to fully-fund the System.
▪ System will need additional contributions going forward.

New Funding Policy Contribution Methodology
▪ Board's funding policy doesn't currently impact City contributions
– Could serve as a basis once sales tax ends
▪ In 2010, the Board established a funding policy target to eliminate the UAAL by 2030 (7 years remaining in 2023)
▪ Board adopted a new funding policy in 2023
– Introduce "layers" in each subsequent valuation that establishes a 10-year payment schedule for each year's unexpected change in the UAAL

Summary of Valuation Results Funded Status

	7/1/2023	7/1/2024
Actuarial Liability	$703.9	$728.1
Actuarial Value of Assets	638.4	690.5
Unfunded Actuarial Liability	65.5	37.6
Funded Ratio	90.7%	94.8%
Market Value of Assets	615.7	694.7
Unfunded Actuarial Liability	88.2	33.4
Funded Ratio	87.5%	95.4%

In millions

Funding policy outlines the Board's desired funding levels and target date for eliminating the UAL
▪ Policy Contribution, also referred to as the Actuarially Determined Contribution (ADC), is the annual contribution necessary to fund:
– Normal cost – Cost of benefits that will be earned during the year by active members, plus.
– Amortization Payment – Annual payment towards eliminating the UAL.
▪ In 2010, the Board established a funding policy target eliminated the UAAL by 2030 (20-year closed amortization).
– Would have increased volatility as 2030 approaches.
▪ This was a very strong funding policy.
– Warranted by the closed nature of the Plan.
▪ Board adopted a new funding policy in 2023.
– Maintain goal of eliminating June 30, 2023 UAAL by 2030.

– Introduce “layers” in each subsequent valuation that establishes a 10-year payment schedule for each year’s unexpected change in the UAAL.
– Policy Contribution will be the normal cost plus an amortization payment on each outstanding “layer”.

Winn made a motion to approve the Actuarial Valuation as of June 30, 2024 as presented; 2nd by McPherson. Vote all: Yes.

11. Adjournment

Friend made a motion to adjourn the meeting; 2nd by McPherson. Vote all: Yes. The meeting adjourned at 9:40 a.m. on October 10, 2024.