



**POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO**

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

**Minutes  
 June 9, 2016**

1. Call to Order

Cowherd called the meeting to order at 8:30 a.m. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Charlie Cowherd	President	X	
Paul Carroll	Citizen	X	
Adam Carter	Fire	X	
Derek Fraley	Citizen	X	
Ron Hoffman	Retiree	X	
Gus Krafve	Citizen	X	
Chris McPhail	Police	X	
Nancy Martin-Hinds	Citizen	X	
Justin Milam	Citizen	X	
Ed Cantrell (NV)	Retiree		X
James Frieze (NV)	Fire	X	
Chris Welsh (NV)	Police	X	
Mary Mannix-Decker (NV)	Finance		X
Ken McClure (NV)	City Council Liaison	X	
Janell Manley (NV)	Administrative Director	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

Rhonda Lewsader and Krystal Ray were also present.

2. Approval Meeting Minutes – May 12, 2016 (open session)

Hoffman made a motion to approve the May 12, 2016 minutes as presented; 2<sup>nd</sup> by Carroll. Vote all: Yes.

3. Approval of Financial Statement Ending April 30, 2016

- The cash balance at the end of April was \$16,486,021.
- The State Street S&P 500 Flagship NL Fund decreased by (\$1,812,618). The return was even with the index of 0.39%.

- The State Street Russell 2000 NL Fund decreased by (\$1,705,271). The return was 1.56% compared to the index return of 1.57%.
- Pictet decreased by (\$2,865,469). The return was 2.77% compared to the index return of 2.57%. Funds were withdrawn from Pictet as a part of rebalancing.
- Wells Fargo had an increase of \$490,195. The return was 2.19% compared to the benchmark of 0.54%.
- Galliard increased \$237,027. The return was 0.70% compared to the index return of 0.23%.
- Income Research increased \$579,002. The return was 3.87% compared to the index return of 3.67%
- Brandes increased \$169,507. The return was 1.47% compared to the index return of 0.43%.
- Brookfield increased \$8,218. The return was 0.15% compared to the index return of -0.10%.
- The US Tips NL Fund increased by \$53,078. The return was 0.34% compared to the index return of 0.35%.
- Brandywine had an increase of \$327,709. The fund returned 1.12% compared to the index return of 1.91%.
- Pyramis had an increase of \$414,791. The return was 2.91% compared to the index at 1.91%.
- The State Street Commodities NL Fund increased by \$846,680. The return was 8.49% compared to the index at 8.51%.
- Blackstone increased \$88,226. The fund returned 0.62% compared to the index return of 0.43%.
- Entrust had an increase of \$169,507. The return was 1.47% compared to the index return of 0.43%.
- Employee contributions for the month totaled \$213,852 and employer contributions totaled \$511,608. Sales tax contributions for the month totaled \$2,612,543.
- Gain/Loss in market value, including managers' fees was \$4,830,299 for the month. Total additions were \$8,168,601.
- Benefit payments totaled \$1,861,754. There were no return of contributions. Administrative expenses totaled \$33,400. Net increase to the Plan was \$6,273,448.
- Total Net Assets at the end of April were \$326,706,280.

Carroll made a motion to approve the financial statement ending April 30, 2016; 2<sup>nd</sup> by Carter. Vote all: Yes.

4. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Lonnie Jump	Surviving Spouse	05/20/2016	N/A	Fire
James Jeffries	Surviving Spouse	05/10/2016	N/A	Fire
Richard O'Connor	Age & Service	05/31/2016	07/08/2016	Fire

Carter made a motion to accept the application as presented above; 2<sup>nd</sup> by McPhail. Vote all: Yes.

5. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
James Jefferies	Final Check	31.3	\$2,841.48	\$916.61
Lonnie Jump	Final Check	24.29	\$2,679.62	\$1,728.79
Jerry Coday	Final Check	28.54	\$3,131.35	\$3,131.35
Linda Jump	Surviving Spouse	N/A	\$2,060.99	\$731.32
Gwendolyn Jefferies	Surviving Spouse	N/A	\$2,029.64	\$1,374.92
Randy Rossner	Age & Service	25.00	\$4,600.18	\$593.57
Scott Kamykowski	Age & Service	25.29	\$5,374.92	\$693.54

Carter made a motion to accept the final pay calculations for Jefferies, Jump and Coday; 2<sup>nd</sup> by Carroll. Vote all: Yes.

Carter made a motion to accept the surviving spouse calculations for Jump and Jefferies; 2<sup>nd</sup> by Carroll. Vote all: Yes.

Carter made a motion to accept the age and service calculations for Rossner and Kamykowski; 2<sup>nd</sup> by Carroll. Vote all: Yes.

6. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Jason Shuck	Relinquishment	12.68	\$5,283.41
Lee Venning	Relinquishment	10.45	\$55,137.21
Scott Kamykowski	Age & Service	25.00	\$155,908.77
Randy Rossner	Age & Service	25.00	\$142,483.21

Carter made a motion to approve the return of contributions for Shuck and Venning; 2<sup>nd</sup> by Carroll. Vote all: Yes.

Carter made a motion to accept the return of contributions for Kamykowski and Rossner; 2<sup>nd</sup> by Carroll. Vote all: Yes, with the exception of Cowherd who voted no.

7. Disability Applications

Retiree's Name	Application Type	Application Date	Department
Dennis Williams	Disability	05/25/2016	Fire

Carroll made a motion to accept the disability application for Dennis Williams; 2<sup>nd</sup> by Carter. Vote all: Yes.

8. Administrative Director's Report

Manley reminded the Board that the MAPERS conference will be held July 13-15 so the July Board meeting will be held on July 21<sup>st</sup> in the basement conference room which is L45. The August meeting will be held August 18<sup>th</sup>.

The Segal Rogerscasey investment consultant contract is still going back and forth between the attorneys. The City has put out an RFP for the auditor. Only two firms responded. The firm will be announced next month.

A memo from Rhonda Lewsader, assistant city attorney, was distributed. She stated that the current version of the City Code does not require Council to adopt the AFC rate by ordinance or any other method. Cowherd said it is not his understanding that that's what we did. He said we approved the rate subject to the approval of the agreement about how that rate was to be determined by the Council. Tony Kelley said previously that there were some details yet to be ironed out. Carter said that outside of collective bargaining, traditionally the adjustment is adopted by Council. Manley said that it actually wasn't in 2013. Lewsader stated that the Fire AFC required a code revision. She said her memo is regarding the Police AFC. She said that in the minutes the way that the motion was written was that the Board was approving the rate subject to City Council's approval. She said Council will not be voting on the Police AFC rate.

Manley distributed an email regarding the income verification process. There were some questions concerning the most elderly participants who get upset about income verification each year. We were trying to see if there was a way to lessen the impact on them. One of the questions was, can we change a disability retirement to an age and service once the retiree reaches a certain age. The bottom line is that we do have to have income verification and we can't arbitrarily set an age at which that isn't done. We can use the Board's best judgment on certain individuals that maybe have shown in the past that they haven't had any additional income for many years. It has been advised by Lewsader and Sheppard that we need to use our best judgment on that. The secondary question was can we change from a disability to an age and service. The answer to that is no. Carter questioned if Wichmer had previously said that that could be done. Manley said that he did and that it is not correct. The code doesn't permit for that to happen. Carter said that the code says "may" do income verification, correct? Cowherd looked up the ordinance and it does say shall. Manley said that the bottom line on the legal opinion the Board has received is that we can't change our existing procedures, but we can use our best judgment on certain individuals that are in nursing homes and such. She will make the Board aware of those as we come to those.

The SRC Summit is October 19-22, 2016. Manley read aloud the language that Sheppard would like noted in the minutes as follows:

Nikki White

Up to three board members may attend the SRC Summit in Arizona with the Board paying for transportation and SRC paying for room and board. The Pension Board waives any perceived conflict interest resulting from SRC's payment of these expenses. Carroll made a motion to accept the language as read by Manley; 2<sup>nd</sup> by Carter. Vote all: Yes.

Manley said there is no news to report on the lawsuit. We are waiting on a response from the SPOA attorney.

9. Old Business - AFC

A copy of an email from Mike Evans, SPOA, was distributed. In the email, Evans said that he believes the Pension Board had inadvertently violated the City Code for figuring its AFC recommendation. He said that Milliman rates the Fund as 72% funded, of which that includes liabilities associated to the AFC. However, when formulating its recommendation of the AFC increase Milliman admitted that it in fact is reducing the AFC side of the books to only what the employees have paid, to include the City's onetime \$4.75 million contribution. Code 2-455 requires that the City uses the same actuarial assumptions on both sides of the table when adjusting the AFC rate. To remove the benefit of the sales tax is in direct violation of City Code and he requests that the Pension Board address this matter immediately to prevent continued harm to the police members affected by the Plan.

Cowherd said this looks like something that needs to go to legal review. He would suggest sending it to Sheppard. Manley said she would suggest sending it to Milliman first to make sure all the premises are correct.

Carroll made a motion to refer this to Milliman and Sheppard for review; 2<sup>nd</sup> by Milam. Vote all: Yes.

10. Legal Matters – Closed Session, pursuant to Section 610.021, RSMo.

Carroll made a motion to move to closed session at 9:10 a.m. pursuant to Section 610.021(1, 13, 14) RSMo.; 2<sup>nd</sup> by Carter. Vote all: Yes. Open session resumed at 9:21 a.m.

11. Disability Application – Williams Continued

Carter made a motion to accept Dr. Wilson's opinion in Williams' application and to send him to one or two more physicians for review at the nurse consultant's, Debbie Elliott, discretion; 2<sup>nd</sup> by Carroll. Vote all: Yes.

12. Legal Matters – Closed Session, pursuant to Section 610.021, RSMo.

Carter made a motion to move to closed session with outside legal counsel at 9:24 a.m. pursuant to Section 610.021(1) RSMo.; 2<sup>nd</sup> by Milam. Vote all: Yes. Open session resumed at 9:50 a.m.

13. Physician Reviews

Carter made a motion to approve prepayment of physicians for Dennis Williams' reviews; 2<sup>nd</sup> by Carroll. Vote all: Yes.

14. Adjournment

Carroll made a motion to adjourn the meeting; 2<sup>nd</sup> by Carter. Vote all: Yes. The meeting adjourned at 9:50 a.m. on June 9, 2016.