



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

840 Boonville
 Springfield, Missouri 65801
 Voice Mail (417) 831-8901
 Box Number 44140

**Minutes
 August 18, 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	
David Holtmann (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. Welsh was the voting police member in McPhail's absence.

3. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Paul Tyler	Age & Service	24.27	\$3,966.56	\$1,023.63
Peter Prewitt	Age & Service	24.23	\$3,698.64	\$2,624.84
Dennis Williams	Duty Disability	18.11	\$3,275.16	\$1,056.50
Richard O'Connor	Age & Service	23.24	\$4,543.64	\$3,371.09

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

Nikki White

4. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Peter Prewitt	Age & Service	24.23	\$125,126.60
Richard O'Connor	Age & Service	23.24	\$144,810.79
Paul Tyler	Age & Service	24.27	\$137,124.18
Dennis Williams	Duty Disability	18.11	\$104,257.90

Carter made a motion to approve the return of contributions for as presented above; 2nd by Welsh. Vote all: Yes, with the exception of Cowherd who voted no.

5. Approval Meeting Minutes – July 21, 2016 (open session)

Carroll made a motion to approve the July 21, 2016 minutes as presented; 2nd by Carter. Vote all: Yes.

6. Administrative Director's Report

Manley reported that a notice of claim has been filed with the Board's insurance company. They have not responded yet.

The new auditor has been hired. Manley has requested a meeting with them, but they have not responded yet. They are not located in Springfield. She will keep the audit committee posted.

Segal Rogerscasey is starting the asset liability study. They will need information from the actuary for this study. Milliman has received their request and estimates that it will be \$1,500-2,000 to gather the information that Segal Rogerscasey needs. Milam made a motion that the Board provides authorization for the funding of the asset liability information from Milliman to SRC; 2nd by Carter. Vote all: Yes.

7. Final Pay Calculation

Name	Type	Years of Service	Monthly Pension Amount	Final Pension Amount
Brady Chandler	Final Pay	27.02	\$2,832.81	\$1,096.57

Carroll made a motion to accept the calculation presented above; 2nd by Carter. Vote all: Yes.

8. Approval of Financial Statement Ending June 30, 2016

- The cash balance at the end of June was \$4,394,507.
- The State Street S&P 500 Flagship NL Fund increased by \$1,457,681. The return was 4.14% compared to the index return of 4.13%.
- The State Street Russell 2000 NL Fund decreased by (\$13,896). The return was -0.08% compared to the index return of -0.06%.
- Pictet decreased by (\$1,324,628). The return was -3.03 compared to the index of -3.36%.

- Wells Fargo had an increase of \$1,122,810. The return was 4.68% compared to the benchmark of -4.00%.
- Galliard increased \$424,597. The return was 1.26% compared to the index return of 1.23%.
- Income Research increased \$1,521,353. The return was 3.54% compared to the index return of 3.36%
- Brandes increased \$2,722,753. The return was -4.48% compared to the index return of -5.28%. \$3 million was invested in Brandes.
- Brookfield increased \$3,321,798. The return was 4.04% compared to the index return of 3.61%. \$3 million was invested in Brookfield.
- The US Tips NL Fund increased by \$328,138. The return was 2.07% compared to the index return of 2.08%.
- Brandywine had an increase of \$841,740. The fund returned 2.96% compared to the index return of 4.42%.
- Pyramis had an increase of \$616,738. The return was 3.80% compared to the index at 3.73%.
- The State Street Commodities NL Fund increased by \$1,457,681. The return was 4.14% compared to the index at 4.13%.
- Blackstone decreased (\$148,561). The fund returned -0.97% compared to the index return of -0.34%.
- Entrust had a decrease of (\$234,542). The return was -3.03% compared to the index return of -3.36%.
- Employee contributions for the month totaled \$370,186 and employer contributions totaled \$885,613. Sales tax accrual totaled \$8,121,556.
- Gain/Loss in market value, including managers' fees was \$3,802,326 for the month. Total additions were \$13,194,884.
- Benefit payments totaled \$1,870,988. Return of contributions totaled \$358,813. Administrative expenses totaled \$652. Net increase to the Plan was \$10,964,432.
- Total Net Assets at the end of June were \$343,295,492.

Carroll made a motion to approve the financial statement ending June 30, 2016; 2nd by Carter. Vote all: Yes.

9. COLA Adjustment

Manley reported that it was discovered that a COLA was not being allocated properly to an ex-spouse. She was to receive 44.95% of his retirement payment and the COLA was all given to the participant and not split between the two. This has been going on since 2010 so the amount that has been misdirected is

\$4,301.70. She has been under paid that amount and the participant has been over paid that amount. Those funds are due to the ex-spouse and must also be collected from the participant. Normally we give the participants the same amount of time to repay as the amount of time the payments were done incorrectly. In this case it would be a little over six years. Milam said that he thinks we definitely need to lean to the side of being reasonable when considering how he pays this money back. You have to remember the compound effect.

Milam mentioned that he would think the Board would owe her immediately. Cowherd said that the Board only owes her because of the direction the participant gave us as to how to divide the payment. Our obligation is to him and we didn't do it correctly. Milam said it is our mistake. We owe her even though we still need to get the money back from him. He doesn't think we would need to wait to pay her until we get the money back from him. Holtmann said the Board might consider paying her the full amount and then working out a plan to recoup the funds from him. Lewsader said that in reviewing the divorce decree, she does think the Board has the duty to pay her the full amount. Holtmann said the figure is straight money, no interest included. Milam said that is more the reason to just go ahead and pay her. She could take us to small claims court for the amount plus interest.

Carter made a motion to pay the ex-spouse the full amount and seek reimbursement from the participant over the course of approximately six years; 2nd by Milam. Discussion: Cantrell asked if we could visit with him first to see how this will affect him since he's only receiving half of his pension anyway. \$100 a month could potentially be very hard on him.

Carter amended his motion to pay the ex-spouse the full amount and authorize Manley to speak with the participant about seeking reimbursement within an agreeable amount of time with the initial recommendation being over the course of approximately six years; 2nd by Milam. Vote all: Yes.

8. Quarterly Investment Report – Segal Rogerscasey

Boucek reported that the beginning market value on July 1, 2015 was \$301,710,000. The return on the investment was \$3,690,000 (1.0%) for an ending market value of \$333,682,000 as of June 30, 2016.

The S&P 500 returned 2.43% in the final quarter of the fiscal year compared to the index of 2.46%. The Russell 2000 Index Fund returned 3.76% compared to the index of 3.79%. Pictet's return was -2.15% and the index was -1.46%. Brandes returned -2.69% compared to the index return of -2.60%. Wells Capital was up 4.38% compared to the index return of 0.66%. Galliard returned 2.04% compared to the index of 1.44%. IR&M returned 7.06% compared to the index return of 6.55%. TIPS had a 1.70% return compared to the benchmark at 1.71%. Brandywine had an increase of 0.02% compared to the index return of 4.04%. Pyramis' return was 7.03% and the benchmark was 5.02%. Prudential was up 1.93% compared to the index of 2.18%. Brookfield had an increase of 4.40% compared to the index of 3.46%. The SSGA Bloomberg Fund increased 12.77% compared to the benchmark of 12.76%. EnTrust was up -0.46% compared to the benchmark of 0.61%. Blackstone returned 0.62% compared to the index of 0.61%.

Carter made a motion to accept the quarterly report as presented; 2nd by Carroll. Vote all: Yes.

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

Cowherd made a motion to move to closed session at 9:50 a.m. pursuant to Section 610.021(13, 14, 17) RSMo.; 2nd by Milam. Vote yes: Cowherd, Carroll, Carter, Hoffman, Milam, and Welsh. Vote no: none. Open session resumed at 9:53 a.m.

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

Cowherd made a motion to move to closed session with outside legal counsel at 9:53 a.m. pursuant to Section 610.021(1) RSMo.; 2nd by Carter. Vote yes: Cowherd, Carroll, Carter, Hoffman and Milam. Welsh abstained. Open session resumed at 10:00 a.m.

11. Adjournment

Carroll made a motion to adjourn the meeting; 2nd by Carter. Vote all: Yes. The meeting adjourned at 10:01 a.m. on August 18, 2016.