CITY of SPRINGFIELD

POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO
840 Boonville
Springfield, Missouri 65801
Voice Mail (417) 831-8901
Box Number 44140

Minutes
July 21, 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, Krystal Ray, David Holtmann, and Frank Romines were also present. Frieze was the voting fire member is Carter's absence.

2. Review of Applications

Retiree's Name	Application Type	Application Date	Retirement Date	Department
Michael Ogle	Age & Service	07/11/2016	08/22/2016	Fire
Jack Ellis	Age & Service	07/12/2016	09/11/2016	Fire
Paul Tyler	Age & Service	06/17/2016	07/23/2016	Fire
Kevin Holle	Age & Service	06/01/2016	08/01/2016	Police

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

3. Review of Calculations

Name	Type	Years of Service	Monthly Pension Amount	Partial Pension Amount
Steven Phillips	Age & Service	20.17	$3,156.14	$2,104.09
Rex Frieze	Age & Service	25.04	$4,313.39	$2,731.81
Michael Wade	Age & Service	25.04	$4,430.97	$2,806.28

McPhail made a motion to accept the age and service calculations presented above; 2nd by Milam. Vote all: Yes.

4. Approval of Return of Contributions

Name	Type	Years of Service	ROC
Steven Phillips	Age & Service	20.00	$115,734.98
Rex Frieze	Age & Service	25.00	$140,424.88
Michael Wade	Age & Service	25.00	$141,752.93

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

5. Approval Meeting Minutes – June 9, 2016 (open session)

Fraley made a motion to approve the June 9, 2016 minutes as presented; 2nd by Carroll. Vote all: Yes.

6. Approval of Financial Statement Ending May 31, 2016

- The cash balance at the end of May was $8,960,505.
- The State Street S&P 500 Flagship NL Fund increased by $846,454. The return was 1.79% compared to the index return of 1.80%.
- The State Street Russell 2000 NL Fund increased by $396,837. The return was 2.28% compared to the index return of 2.25%.
- Pictet decreased by ($703,439). The return was -1.63%.
- Wells Fargo had an increase of $1,965,053. The return was -2.50% compared to the benchmark of -3.73%. $2.5 million was invested in Wells Fargo.
- Galliard increased $24,473. The return was 0.08% compared to the index return of -0.03%.
- Income Research increased $157,659. The return was 3.82% compared to the index return of 3.67%
- Brandes increased $2,531,243. The return was 0.67% compared to the index return of 0.52%. $2.5 million was invested in Brandes.

- Brookfield increased $1,477,290. The return was 0.00% compared to the index return of -0.05%. $1.5 million was invested in Brookfield.

- The US Tips NL Fund decreased by ($114,107). The return was -0.72% compared to the index return of -0.71%.

- Brandywine had a decrease of ($1,227,656). The fund returned -4.04% compared to the index return of -2.23%.

- Pyramis had an increase of $1,541,254. The return was 0.02% compared to the index at -0.30%. $1.5 million was invested in Pyramis.

- The State Street Commodities NL Fund decreased by ($20,664). The return was even with the index at -0.19%.

- Blackstone increased $154,223. The fund returned 1.02% compared to the index return of 0.44%.

- Entrust had an increase of $95,394. The return was 0.47% compared to the index return of 0.44%.

- Employee contributions for the month totaled $214,310 and employer contributions totaled $512,705. Sales tax contributions for the month totaled $1,836,796.

- Gain/Loss in market value, including managers' fees was ($910,576) for the month. Total additions were $1,653,520.

- Benefit payments totaled $1,866,490. Return of contributions totaled $111,985. Administrative expenses totaled $50,266. Net increase to the Plan was ($375,221).

- Total Net Assets at the end of May were $332,331,060.

Carroll made a motion to approve the financial statement ending May 31, 2016; 2nd by Frieze. Vote all: Yes.

7. Administrative Director's Report

Manley reported that the Segal Rogerscasey contract has been signed. The Board has the option to renew annually for up to five years total. The August meeting will be August 18th.

Manley said she would like to start a policy to have the managers in on a quarterly basis each time Segal Rogerscasey attends the meetings.

IPS Acknowledgements – Manley reminded the Board that the co-mingled funds can't sign off on our IPS because their investment documents override our IPS. So we have come to the conclusion that they can do that as long as they tell us. We are still missing one from Prudential. Manley has contacted them again so hopefully we will get theirs soon. She said Sheppard is of the opinion that if they don't sign the IPS, they should be fired immediately. He asked that Manley bring this to the Board's attention. He's thinks the Board should set a policy that if the managers don't sign within 30-60 days they will be fired. Manley said that she told him that she didn't think that this is appropriate. She said that this is not the norm in the industry and we are not a large enough fund to make this kind of demand. Manley said that Sheppard feels

very strongly about this and quite frankly she feels very strongly the other way. She would like to open it up for Board discussion. Manley said that Prudential has signed it before, but they haven't been able to run down their copy. She doesn't anticipate it being a problem. She's surprised they signed it before since they are a co-mingled fund. She told them if they can't sign it then she will need something that acknowledges that they did receive it and why they can't sign. Krafve questioned why we would fire them since they have done a good job for the Plan. Cowherd said that Sheppard will say that it has to do with fiduciary duty and if they don't sign we are kind of hanging out there. Manley does believe that we will get something from Prudential. It just has been a spread out process trying to get it from each manager.

Krafve said it's not good if we are not following our own policy. Carroll said that he thinks we can also build in a little flexibility. If they don't sign, then we need to know why. If we get a justifiable reason that will back us up. He thinks the IPS will give us that flexibility. Manley said she will look into this some more and report back.

8. Disability Review – Dennis Williams

Cowherd said that the Board would normally go into closed session to discuss the medical issues. He asked if anyone felt that they the Board needed to go into closed session to discuss any of the medical aspects of Mr. Williams' application. Three medical reports were received and all three were consistent in support of a duty related disability.

Frieze made a motion to accept the duty disability for Dennis Williams; 2nd by Carroll. Vote all: Yes.

Cowherd thanked Mr. Williams for his service.

9. New Business

McPhail said that he and Welsh met an attorney that sponsors a pension conference in Utah. They were invited to go to it. He told her that there was no way he would ask the Board to fund it because it is not necessary to meet the minimum requirements. She told him that they have some money set aside to fund the travel expenses. McPhail asked if it would be permissible for them to attend if the expenses were paid by this law firm. He said he left the details at his office, but can send them to Manley. If it's inappropriate, he obviously doesn't want to be involved. He knows why firms offer to cover the expenses. Cowherd said the Board would need to know more detail and asked if he could provide the agenda to see what type of training is being offered. He would also like to know who is financing the expenses to see if there is any conflict with our current managers. Board members have to disclose any gratuity that is offered. He thinks the Board has some discretion to approve some things with full disclosure. Cowherd asked McPhail to give Manley some more information to see if it is possible or not.

10. IPS Discussion Continued

Manley read the following from the IPS. *If the manager does not acknowledge or is unwilling to acknowledge, the Board may still approve the manager and utilize the manager only if the consultant provides a written recommendation that such manager is suitable for the Fund and the Board utilizes the manager in the manner recommended by the consultant.*

Mannix-Decker added that this IPS wasn't around when some of these managers signed on with the Fund so it is a new requirement that didn't exist when they were first hired.

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

Carroll made a motion to move to closed session at 9:13 a.m. pursuant to Section 610.021(1) RSMo.; 2nd by Martin-Hinds. Vote yes: Cowherd, Carroll, Fraley, Hoffman, Krafve, McPhail, Martin-Hinds, Milam and Frieze. Vote no: none. Open session resumed at 9:36 a.m. Carter entered the meeting during the closed session and resumed the role of the voting fire member.

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 9:36 a.m. pursuant to Section 610.021(1) RSMo.; 2nd by Fraley. Vote yes: Cowherd, Carroll, Carter, Fraley, Hoffman, Krafve, McPhail, Martin-Hinds, and Milam. Open session resumed at 10:48 a.m.

13. Adjournment

Carter made a motion to adjourn the meeting; 2nd by Carroll. Vote all: Yes. The meeting adjourned at 10:48 a.m. on July 21, 2016.