

FIREFIGHTERS' RETIREMENT PLAN
MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, OCTOBER 29, 2015
1:30 PM
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; October 29, 2015

Trustees met at 1:30 p.m.

Meeting Held In: Room 746, Carnahan Building

Present: Paul Payne, James Sondermann, John Zakibe, Bridget Halquist, Michael Pollihan and Jeffery Glorioso, Trustees; and Richard Frank, Secretary.

Excused: John Costello, Chairman.

Also present were Barry Bryant, Dahab and Associates; Janice Fairless and Andy Leeser, Firefighters' Retirement Plan; Mallori Allen, City Counselor's Office.

Chairman Costello being excused had delegated Trustee Glorioso to serve as Chairman pro tem, Board agreed by acclamation and Chairman pro tem Glorioso called the meeting to order at 1:31 p.m.

The Chairman pro tem presented the minutes of the regular meeting of the September 24, 2015 meeting.

Trustee Zakibe moved to approve the minutes of September 24, 2015 as presented. Motion seconded by Trustee Payne and carried by a 5-0-1 vote with Trustee Halquist abstaining.

The Chairman pro tem called on Barry Bryant from Dahab who presented the Performance Report for the Quarter ended September 30, 2015. Mr. Bryant reports the past quarter was one of the 3 worst quarters in the past six years (attachment 1). The market value of the portfolio grew from \$21.77 million in June 2015 to \$28.45 million in September 2015. That included \$8 million in contributions and \$210 thousand in income. Losses for the quarter were \$1.55 million. The economy seems to be ok with housing doing better. Domestic

bonds are up. China dynamics are slowing down the market sharply. The last quarter is historically a low month for trading as many managers are simply on vacation in August. Trustee Payne reminded everyone he was skeptical over the 30% allocation to International Equity. Now that we are in October, Ms. Fairless advised everyone she checked the portfolio prior to the meeting and the Plan was about \$190,000 up and now over \$31 million, having recovered from the 3rd quarter loss.

Trustee Zakibe moved to accept the performance report as presented. Motion seconded by Trustee Pollihan and carried by a 6-0 vote of all Trustees present.

The Chairman pro tem recognized Mrs. Fairless who presented a copy of an email from Dahab which included a copy of the “short term applicable federal rate as published each calendar year” to be used for the interest applied to contributions (Attachment 2) The rate is 0.34%. Mr. Bryant confirmed the interest rate.

Trustee Payne moved to approve the Interest Rate of 0.34% to be applied according to the ordinance to contributions for FYE 2015. Motion seconded by Chairman pro tem Glorioso and carried by a 6-0 vote of all Trustees present.

The Chairman pro tem recognized Mrs. Fairless to present DROP allowances. Mrs. Fairless asked to lay this over to the next meeting as she is waiting on final numbers from the FRS.

The Chairman pro tem then recognized Mrs. Fairless for a report on the progress with the Criminal Bond and Cyber Insurance Policy. Mrs. Fairless shared the Cyber Policy has different options, \$750 a year for \$1 million, \$1200 a year for \$2 million, up to \$19,000 a year for \$5 million. She shared the Criminal Bond is right at \$480 per year with a savings if we prepay for 3 years.

Trustee Zakibe then moved to approve \$1 million in Cyber Liability Insurance. Motion seconded by Chairman pro tem Glorioso and carried by a 6-0 vote of all Trustees present.

Trustee Zakibe moved to approve prepayment for 3 years of the Criminal Bond policy. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

The Chairman pro tem recognized Mrs. Fairless for an update on the FRS Review of Service Transfer/Buy Requests. Mrs. Fairless reported Mr. Brewer

called from the FRS this week and indicated he had spoken to his actuary. The FRS actuary reports calculations are within 1-2% so within acceptable limits. It will take the FRS actuary 2 to 3 more weeks to draft a letter of their findings to the FRS BOT. It does not appear there will be a problem, just a waiting game at this point in time. Mrs. Fairless continues to update members of the status as they call in and proactively calling a handful who check in on this issue on a regular basis.

The Chairman pro tem then recognized Mrs. Fairless who presented a letter to the Board from Cheiron explaining how the shortage this year will be added to the next valuation (Attachment 3).

Trustee Zakibe motioned to accept the letter from Cheiron as presented. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

The Chairman pro tem called for a motion to go into closed session pursuant to Section 610.021 RsMo (Roll Call Vote) to discuss legal matters and matters of physical and mental health of members.

Trustee Zakibe moved to go into closed session. Motion seconded by Chairman pro tem Glorioso and carried by a 6-0 roll call vote of all Trustees present.

Closed session minutes are confidential and recorded separately.

Return from closed session at 3:07 p.m.

The Chairman pro tem called for any other business.

At this time the questioned was posed to Counselor Allen regarding the final content of the Technical Corrections Bill. Counselor Allen shared that the Bill delivered to the Mayor's office was the same one she presented to the BOT with just a couple of typos cleaned up. The Bill still needs a sponsor. Mrs. Fairless added we have also been contacted by our tax attorneys who advised if we seek determination with a pending bill the filing fee goes from \$375 to over \$3500.

The Chairman pro tem asked if anyone had any additional business. Mrs. Fairless mentioned next meeting the pre-approved training schedule will be on the agenda. Chairman pro tem Glorioso and Trustees Payne, Zakibe and Pollihan all commented on how difficult the CAP series is. Trustee Halquist talked about the NCPERS conference she recently attended and mentioned some of the classes were very intense as well. There is a need for a New Trustee Basic Handbook emphasizing basic terms used by

accountants, actuaries, and investment advisors. Many classes have a prerequisite of 3-5 years as a Trustee before attending. Mr. Bryant from Dahab suggested reading a book by David Swensen, CIO of Yale Endowment. He has one on institutional investment which is very good.

It was then agreed upon that the next meeting on November 19, 2015 would begin at 1:00 pm since the candidates for International Equity Manager would be presenting.

Chairman pro tem Glorioso called for other business.

There being no further business, Chairman pro tem Glorioso called for a motion to adjourn the meeting.

Trustee Payne moved to adjourn the meeting. The motion was seconded by Trustee Zakibe and carried by a 6-0 vote of all Trustees present.

Meeting adjourned at 3:21 p.m.



Richard R. Frank, Secretary



Date