

**FIREFIGHTERS' RETIREMENT PLAN (FRP)**

MINUTES

BOARD OF TRUSTEES MEETING

THURSDAY, JANUARY 29, 2015

1:30 PM

1114 MARKET STREET, ST. LOUIS, MO 63101

CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; January Twenty-Ninth, Two Thousand and Fifteen

Trustees met at 1:30 p.m.

Meeting Held In: Room 746, Carnahan Building

Present: Ron Smith, Chairman; Paul Payne, Michael Pollihan, John Costello, John Zakibe and Jeff Glorioso, Trustees; and Richard Frank, Secretary.

Also present were Barry Bryant, Dahab and Associates; Stephen McElhaney and Janet Cranna, Cheiron; Denise Droege and Richard Olliges, Employees Retirement System; Janice Fairless and Andy Leaser, Firefighters' Retirement Plan; Michael Garvin and Mallori Allen, City Counselor's Office.

Excused: Patrick Brown, Trustee.

Chairman Smith called the meeting to order at 1:33 pm.

Chairman Smith presented the minutes of the December 15, 2014 meeting (Attachment 1).

Trustee Zakibe moved to approve the minutes as presented. Motion seconded by Trustee Costello and carried by a 6-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented three DROP allowances for approval: Privates Ken Howard, Andrew Mazanec and Charles Bates (Attachment 2).

Trustee Costello moved to approve the three DROP allowances as presented. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented new pension allowances and sick leave payments for approval (Attachment 3),

Trustee Pollihan moved to approve the pension allowances and sick leave payments as presented. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented four refunds of contributions for Firefighters Marnell Griffin, Michael Richardson, Robert Jones and Mark Dinzebach (Attachment 4).

Trustee Glorioso moved to approve the refunds of contributions as presented. Motion seconded by Trustee Costello and carried by a 6-0 vote of all Trustees present.

Chairman Smith introduced Stephen McElhaney and Janet Cranna from Cheiron for discussion regarding the actuarial valuation process. Ms. Cranna and Mr. McElhaney reviewed and discussed Cheiron's report (Attachment 5) covering the following:

- Pension fund dynamics
- Pension Plan Transition
- Reconciliation of the 10/1/2013 Valuation Results
- Preliminary results for the 10/1/2014 Valuation
- Projections
- GASB 67 and 68
- Next Steps

Discussion followed on the actuarial assumptions. Mr. McElhaney questioned whether the Board had previously approved assumptions to be used for valuation purposes and if not, he recommended the Board do so now. A report showing Cheiron's assumption recommendations was then distributed to the Board (Attachment 6). It was agreed upon that a separate line should be added for administrative expenses since in a new plan the expenses are a larger percentage than in a mature plan. The expenses also need to be separated out for GASB.

The actuary showed differences in the reconciliation of the 10/1/2013 results believed to be larger than typical due to the method of offsetting FRS benefits. In one instance it reflected FRS paying a portion of disability benefits which FRP pays in the entirety.

Currently it is estimated contributions will decrease from \$8.9 million to \$7.3 million.

It was noted that the GASB 67 assumptions and methods will be discussed with the auditors.

The 2014 valuation was presented today as a draft and the Cheiron reps will attend the February meeting to present the final report.

Trustee Zakibe moved to approve the actuarial assumptions and methods as recommendation by Cheiron (Attachment 6) and to use said assumptions and methods in the 2014 valuation report to be presented next month. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who explained the FRP office will move to the former City View suite adjacent to the meeting room. Mrs. Fairless provided an estimate from City of St. Louis Supply division on installation and purchase of new carpeting (to replace the stained carpeting), and then shared a list of items needed to furnish the new area (Attachment 7). Discussion ensued regarding the items on the list with Secretary Frank indicating he objects to using FRP funds to purchase a microwave and refrigerator for the office. Mrs. Fairless explained this is for the benefit of members so soft drinks can be offered while they come in to discuss their benefits. She wants to make the space welcoming to Firefighters. It was noted that money was included in the current budget for most of the furnishings included on the list; however, the carpeting wasn't factored into the budget.

Trustee Pollihan moved to approve the expenses as presented. Motion seconded by Trustee Glorioso and carried by 6-0 vote of all Trustees present.

Chairman Smith called for discussion on the proposed list of list of training classes (Attachment 8). Trustee Payne questioned the "Opal Group" offerings, one in New Orleans and one in Santa Barbara, and recommended these be removed from the list. He also recommended removing the Investment Institute, Portfolio Concepts & Management and Trustees & Administrators Institutes offered by the IFEBP. These conferences are very costly and at this point in time the Investment Institute and Portfolio Concepts and Management Seminars while good may be beyond the scope of information currently needed to manage a plan the size of FRP.

Trustee Zakibe moved to approved the list of training classes as amended (deleting the Opal Group offering and the IFEBP Investment Institute, Portfolio Concepts and Management Seminar and Investment Institute). Motion seconded by Trustee Costello and approved by a 6-0 vote of all trustees present.

Chairman Smith recognized Counselor Allen who discussed HB 1882 (sect 105.702 RSMo.) relating to procurement action plan and reporting requirements. The staff contacted MAPERS who shared some sample policies and staff then worked with legal

on this plan. Counselor Allen presented the “Procurement Action Pan” (Attachment 9) and recommended the Board approve said plan for inclusion in the FRP Investment Policy.

Trustee Costello moved to approve the “Procurement Action Plan” as presented and to add same to FRP’s investment Policy. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Smith then asked Counselor Allen for an update on the drafting of a Certification and Oath document in response to HB 1217 regarding loss of eligibility of retirement benefits for certain felonies. Counselor Allen presented a “Certification & Oath” form (Attachment 10) which she recommends firefighters applying for FRP retirement be required to complete as part of the retirement application process.

Trustee Costello moved to approve the “Certification & Oath” document as presented. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairmen Smith then welcomed Barry Bryant from Dahab who asked the Board to Approve the RFP for a SMID Cap Money Manager. Mrs. Fairless confirmed the RFP has been reviewed by legal and one provision has been added asking for an affirmative action plan. (Attachment 11)

Trustee Zakibe moved to approve the RFP as amended. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Mr. Bryant then distributed and reviewed a tentative schedule relating to both the fixed income and SMID cap RFP’s (Attachment 11-A).

Trustee Zakibe moved to approve the RFP schedule as presented. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Smith asked Mr. Bryant to continue with the Investment Performance update. Mr. Bryant reviewed the Performance Review dated December 2014 (Attachment 12). Mr. Bryant apologized for the misprint on the cover noting “Pension Plan” should read “Retirement Plan”. Key takeaways from the quarterly review are as follows: plan valued at \$20,389,296; net contributions for the quarter totaled \$1,696,581; net gain for the quarter was \$138,445; net gain result of income receipts of \$104,936 and net realized and unrealized capital gains of \$33,509.

Trustee Glorioso moved to accept the Investment Performance review for December 2014. Motion seconded by Trustee Costello and carried by a 6-0 vote of all Trustees present.

At this point Mrs. Fairless asked that we move closed session up on the agenda.

Chairman Smith 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 Trustee 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 4:15 pm.

As a follow-up to Closed Session discussion, Chairman Smith presented a proposed draft letter to Captain Migneco in response to his appeal of his DROP benefit amount and called for approval of same:

Trustee Zakibe moved to approve the proposed response letter to Captain Steven Migneco regarding his DROP appeal. Motion seconded by Trustee Payne and failed by a 3-3 vote with Trustees Pollihan, Costello, and Glorioso opposed.

Discussion followed on implications of no response to Captain Migneco's appeal. It was the consensus of all present that since the Board took no action to overturn its previous response, the previous decision stands.

Next Chairman Smith returned to agenda item 13, Contribution Statements. Mrs. Fairless provided simple reference sheets for use by those trustees receiving calls from members with questions about their statement. She provided an explanation of the various fields on the contribution statements. She added that questions are always welcomed at the FRP office.

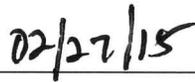
Chairman Smith recognized Mrs. Fairless for an update on the logo. Mrs. Fairless has no update at this time.

Chairman Smith called for other business. There being no further business Chairman Smith called for a motion to adjourn the meeting.

Trustee Zakibe moved to adjourn the meeting. The motion was seconded by Trustee Payne and approved 6-0 by all Trustees in attendance.

Meeting adjourned at 4:35 pm.

  
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Secretary

  
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Date