FIREFIGHTERS' RETIREMENT PLAN (FRP)

MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, OCTOBER 30, 2014
1:30 PM
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; October Thirtieth, Two Thousand and Fourteen

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, Patrick Brown, Jeff Glorioso, Trustees.

Also present were Barry Bryant, Dahab and Associates; Denise Droege and Richard Olliges, Employees Retirement System; Janice Fairless, Andy Leeser Firefighters' Retirement Plan; Sue Degunia, Firemen's Retirement System; Captain Steve Migneco, St. Louis Fire Department; and Mallori Allen, City Counselor's Office.

Excused: Richard Frank, Secretary.

Chairman Smith called the meeting to order at 1:31 pm.

Chairman Smith presented the minutes of the September 23, 2014 meeting.

Trustee Pollihan moved to approve the minutes as presented. Motion seconded by Trustee Zakibe and carried by a 6-0-1 vote with Trustee Glorioso abstaining.

Chairman Smith recognized Mrs. Fairless who presented two refunds of Contributions one for Firefighter Reis and one for Battalion Chief Cribbs. Chief Cribbs' refund reflects one partial pay period for which contributions were withheld and not included in the original refund.

Trustee Zakibe moved to approve the refunds of contributions as presented (Attachment 1). Motion Seconded by Trustee Brown and carried by a 7-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented one pension allowances for Firefighter Steve Reis.

> Trustee Glorioso moved to approve the pension allowances as presented (Attachment 2). Motion seconded by Trustee Payne and carried by a 7-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who asked the Board to ratify the action of the secretary who corrected the refund amount of Firefighter Bennie Halbert from $6873.79 to $7151.56 (Attachment 3). This reflects one additional $177.77 contribution from his 8/29/2014 pay period which was not included with the original refund amount presented to the BOT in September.

> Trustee Glorioso moved to ratify the action of the Secretary in increasing Firefighter Halbert's refund $177.77 to a new total refund of $7,151.56. Motion seconded by Trustee Payne and approved by a 7-0 vote of all Trustees present.

Chairman Smith opened up a sharing session on the recent IFEBP conference in Boston. Chairman Smith, Costello, and Pollihan attended the training and each spoke highly of the conference. It was noted that the IFEBP convention is huge with over 6000 attendees. The CAP Part II Series was on the weekend and was intense all day classroom training. Some key takeaways came in the business development and strategic planning session. Trustees selected conference based workshops and had to attend 11 of 14 different offerings. Topics included the following: fraud, addressing employee issues, equity, fiduciary responsibility, and legal updates. The Trustees attending indicated the sessions were interesting and informative and that they certainly benefited from the training.

Chairman Smith recognized Barry Bryant from Dahab who presented the fiscal year end report (attachment 4). Mr. Bryant discussed the economic environment and market conditions, and then reviewed fund performance. During the third quarter, the composite portfolio returned -1.5% which was slightly ahead of the St. Louis Manager Shadow index's return of -1.6%. The equity portion of the portfolio returned -2.5% for third quarter while the fixed income (bond) portion was flat (0% return).

> Trustee Zakibe motioned to accept the Pension Plan Performance Review of September 2014 as presented by Dahab. Motion seconded by Trustee Zakibe and approved by a 7-0 vote of all Trustees Present

Chairman Smith asked Mr. Bryant to continue with discussion on the two upcoming RFP's, one for a large cap money manger, and one for a fixed income money manager. At that time legal was requested to provide their opinions on the RFP process needed

for these two services. Counselor Allen said the Ordinance allows the RFP process to be handled by the Investment Advisor; however, the Investment Policy states it must be in accordance with Request for Proposal Protocol (RFP) including Ordinance 64102. Section XIV of the Investment Policy reads:

> "The selection of any manager shall be subject to a competitive bidding process and shall comply with all ordinance requirements governing contracts for professional services, including Ordinance 64102 and any subsequently enacted requirements governing such contracts.
>
> During a competitive search for a new manager, from the time the RFP is issued until all respondents are notified of the Board's decision, all contact with employees or Board members concerning the RFP is prohibited.
>
> Except, however, any questions regarding an RFP shall be submitted in writing. All questions received shall be answered in writing, summarized and forwarded to the designated email address of each entity requesting a copy of the RFP. A list of all entities requesting copies of the RFP will be maintained and copies of all questions and responses thereto will be made available to each entity on such list. Questions must be submitted no later than 7 days prior to the closing date of the RFP."

Discussion followed on the above wording and the consensus was the RFP process will maintain the greatest integrity if it is handled by the plan's Investment Advisor.

> Trustee Zakibe made a motion to strike the following from the Investment Policy: "and shall comply with all ordinance requirements governing contracts for professional services, including Ordinance 64102 and any subsequently enacted requirements governing such contracts". Motion was seconded by Trustee Costello and approved by a 7-0 vote of all Trustees present.

Discussion continued on the RFP process. A list of all respondents should be made available however, the Investment Advisors will be asked to hone down the list to the top 3-5 candidates for each Money Manager search.

Dahab suggested an asset allocation study be done before issuing a Large Cap Equity RFP. The actuarial report is needed in order to do this study as cash flow projections are needed. It was noted that the actuarial valuation report should hopefully be available by end of January.

The Board asked legal to review the RFP's Dahab presented today (attachments 5a & 5b) and note any necessary revisions prior to the Board meeting.

Chairman Smith recognized Counselor Allen to open discussion on the Commerce Bank Treasury Agreement. Ms. Allen explained that Commerce Bank and the FRP legal team have not been able to come to a consensus with regard to changes to the Agreement requested by the legal team. After discussing the matter and considering whether the Board should seek out another bank, it was concluded that treasury agreements from other banks would likely require some changes as well. After weighing the risks associated with the Commerce Treasury Agreement and considering that Commerce is on the Treasurer's approved list of banks and is currently the bank of the PRS and FRS, it was the consensus of the Board that the risk of using Commerce is minimal.

> Trustee Costello moved to approve the Commerce Bank Treasury agreement. Motion seconded by Trustee Glorioso and approved 7-0 by all Trustees in attendance.

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 Brown moved to go into closed session. Motion seconded by Trustee Zakibe and carried by a 7-0 roll call vote of all Trustees present.

Closed session minutes are confidential and recorded separately.

Return from closed session at 2:37 pm.

Chairman Smith called for other business. Trustee Costello asked if his and Trustee Pollihan's ground transportation expense from the Hotel to the Airport in Boston could be reimbursed without a receipt as the driver only provided one for a shared car service.

> Trustee Zakibe moved to approve the above mentioned ground transportation expense for Trustees Costello and Pollihan without a receipt. The motion was seconded by Trustee Payne and approved by a 7-0 vote of all Trustees present.

In light of conflicts with holidays, Chairman Smith called for the Board to establish meeting dates for the November and December Board meetings. By consensus, the Board agreed to hold the next two regular meetings on Tuesday, November 25th and Monday, December 15, both at 1:30 p.m. in Room 746, Carnahan Courthouse.

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

Trustee Costello moved to adjourn the meeting. The motion was seconded by Trustee Brown and approved 7-0 by all Trustees in attendance.

Meeting adjourned at 2:50 pm.

ATTEST:

Richard R From

Secretary

12/16/14

Date