

FIREFIGHTERS' RETIREMENT PLAN
MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, MAY 28, 2015
1:30 PM
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; May 28, 2015

Trustees met at 1:30 p.m.

Meeting Held In: Room 746, Carnahan Building

Present: John Costello, (newly elected chairman); Paul Payne, Michael Pollihan, John Zakibe, Jeff Glorioso and Patrick Brown Trustees; and Richard Frank, Secretary.

Also present were Barry Bryant, Dahab and Associates; Denise Droege and Richard Olliges, Employees Retirement System; Janice Fairless and Andy Leeser; Firefighters' Retirement Plan; Christine Hodzic, Mallori Allen, Alexis Silsbe and Michael Garvin, City Counselor's Office; Bob Offerman & James Pursley, Hochschild, Bloom & Company, LLP.

Secretary Frank called the meeting to order at 1:33 p.m.

As Chairman Smith resigned at the last Board Meeting, the Board's first order of business was election of a new Chairman. Past interim Chairman Payne offered to act as an interim again if the Board wanted to wait until after the new Mayoral appointed committee member joined the Board. Trustee Brown advised that the Mayor had chosen someone to serve as Trustee; however, that person wasn't available to attend today's meeting. A discussion followed and the consensus was that since a quorum of members were in attendance there was no need to wait for the additional member as there is no guarantee all of the Trustees would be present at the next meeting.

Trustee Pollihan moved to elect Trustee Costello as Chairman of the FRP Board of Trustees. Motion Seconded by Trustee Glorioso and carried by a roll call vote of 4-2, with Trustees Brown and Payne opposed.

Next, Mrs. Fairless requested approval to put the new Chairman on necessary forms including: Commerce Bank-Signature Card and Northern Trust Authorized signature for plan (Attachments 1a and 1b). Mrs. Fairless also requested approval to delete Mr. Olliges from the list of authenticators for Northern Trust and to add Mr. Andy Leeser as an authenticator on the Northern Trust Accounts (Attachment 1c).

Trustee Pollihan moved to update the Commerce signature card, and Northern Trust authorized signature card with Chairman Costello's name and to make the change to the Northern Trust Authenticator Account adding Mr. Leeser and removing Mr. Olliges. Motion seconded by Trustee Glorioso and passed by a 5-0-1 vote with newly elected Chairman Costello abstaining.

Chairman Costello presented the minutes of the April 30, 2015 meeting (Attachment 2).

Trustee Zakibe moved to approve the minutes of April 30, 2015 as presented. Motion seconded by Trustee Payne and carried by a 5-0-1 vote of all Trustees present with Trustee Brown abstaining.

Chairman Costello introduced Bob Offerman and James Pursley from Hochschild, Bloom & Company, LLP who presented the FY 2014 Audit Report (Attachment 3a) and Management Letter with Summary Report (Attachment 3b). Mr. Pursley noted that on the chart showing the Money Weighted Rate of Return, the "\$ Added" column is actually "Profit/Loss" and the ending number is a profit of \$9,149,903.41. The Plan grew from a net position of \$1,652,831 to \$19,859,333. Following review and discussion on the Audit Report, a motion was entered.

Trustee Brown moved to accept the FY 2014 Audit Report as well as the Management Letter with Summary Report. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Costello recognized Barry Bryant from Dahab Associates who presented the Performance Review for the first quarter (Attachment 4). Mr. Bryant provided a market overview and discussed interest rates noting that if interest rates rise, bonds could under-perform. Global Fund performance helped the Fund achieve a 2.2% return for the quarter.

Trustee Glorioso moved to accept the Investment Advisor's First Quarter 2015 Performance review. Motion seconded by Trustee Brown and carried by a 6-0 vote of all Trustees present.

Mr. Bryant continued with the Asset Allocation Study (Attachment 5) emphasizing that it is the most critical report he presents to the Board and it's the most important

decision the Board will make. Discussion followed on the various asset allocations (shown on page 6 of the report). The recommendation (Mix 120) includes branching into foreign equity and reduces fixed income to 20% as bond rates appear to be ready to drop. Discussion ensued.

Trustee Zakibe moved to accept Mix 120 as shown in the Asset Allocation Study. Motion seconded by Trustee Brown. Trustee Payne stated he feels Mix 120 with an 80/20 equity/fixed income split may be too extreme and voiced his preference for Mix 97 with a 75/25 split. Trustee Zakibe then withdrew his motion.

Discussion ensued on the matter. Several Trustees indicating that since the Board hired Dahab as Investment Advisor, the Board should follow the recommendation of its professional advisor. Mr. Bryant clarified by stating he is comfortable with Mix 120, 95 or 97 but the Board has to make the final decision based on the amount of risk the Board is willing to assume; however, Dahab does recommend Mix 120.

Trustee Zakibe moved to accept the Asset Allocation Study prepared by Dahab and the recommended asset allocation contained therein (Mix 120 on page 6) which is:

Large Cap Equity	30%
SMID Cap Equity	20%
Foreign Equity	30%
World Equity	none
Core Fixed Income	20%

Motion seconded by Trustee Brown and carried by a vote of 6-0 of all Trustees present.

Chairman Costello recognized Counselor Hodzic regarding the Policy for Purchase of Service in the Firefighters' Retirement Plan of St. Louis (Attachment 6) and the Transfer of Creditable Service Uniform Agreement (Attachment 6a). Counselor Hodzic reported the documents are finalized and include a Uniform Model Agreement. Discussion ensued. Active Firefighters will be permitted to either transfer service to FRP or buy service for years of service in another plan or for other non-federal public employment in the state of MO. It was agreed once the policy was approved an agreement with the Employees Retirement System of the City of St. Louis be entered into immediately.

Trustee Payne moved to approve the Policy for Purchase of Service in the Firefighters' Retirement Plan of St. Louis and the Transfer of Creditable Service Uniform Agreement. Motion seconded by Chairman Costello and carried by a vote of 6-0 of all Trustees present.

Trustee Glorioso moved to authorize the Secretary to enter into agreements with eligible retirement plans following the uniform model

agreement with the Board to be informed of any such executed agreements; and further, to have all agreements that vary from the model agreement presented to the Board for approval. Motion seconded by Trustee Zakibe and carried by a vote of 6-0 of all Trustees present.

Chairman Costello recognized Counselor Allen to provide an update on the Investment Manager-SMID contract. Counselor Allen asked to lay this over to next meeting.

Chairman Costello asked Mrs. Fairless if she had an update on the training sessions at the Fire Department. Mrs. Fairless reported Chief Phillips had talked about possibly piggybacking the training on some upcoming CPR training. Mrs. Fairless indicated she did send the Chief a Draft of the materials. Chairman Costello commented CPR refreshers were beginning next week.

Chairman Costello recognized Mrs. Fairless who opened up discussion on upcoming Trustee & Staff training seminars. The question came up as to if the Plan will pay for lodging the night before a conference begins. If not, attendees may miss a portion of the first day due to unexpected travel delays whether driving to the location or flying to a location. Trustee Payne indicated he didn't feel the MAPERS Conference required an extra night stay as the Conference begins at 1:00 p.m. purposefully so that attendees have time to drive to the location that same morning. Mrs. Fairless stated she checked with the FRS and FRS does allow arrivals the night before.

Trustee Glorioso moved for the Plan to pay for one night's lodging immediately preceding a conference whether the conference was MAPERS or an out-of-state destination. Motion seconded by Trustee Brown and carried by a 5-1 vote of all Trustees present, with Trustee Payne opposed.

Prior to entering closed session Trustee Payne asked for all agenda items for open session to be addressed prior to closed session. Some action items such as disability approvals are not known till after closed session, and must fall after the closed session; however, it was agreed in the future the agenda will be adjusted accordingly to keep all the closed session items together. This will accommodate the public who may want to attend the meeting and allow them to sit in on the majority of the meeting without being forced to leave and return for the remainder of the meeting after closed session.

Chairman Costello 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 Glorioso moved to go into closed session. Motion seconded by Trustee Pollihan 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 p.m.

Chairman Costello asked for a motion on a Disability heard in closed session (Attachment 7).

Trustee Brown moved to award "Disability-Ordinary" to Firefighter Mark Wroblewski. Motion seconded by Trustee Payne and carried by a 6-0 roll call vote of all Trustees present. It was noted Firefighter Wroblewski will have the option of selecting an "ordinary disability benefit" or his regular pension benefit. Firefighter Wroblewski had requested a Disability-Line of Duty which was denied by the BOT.

Chairman Costello recognized Mrs. Fairless who presented one Pension benefit for Captain John Brewer (Attachment 8).

Chairman Costello moved to approve the pension benefit as presented. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

Chairman Costello recognized Mrs. Fairless who presented one refund of contributions for Firefighter Mark Wroblewski, disability retiree. (Attachment 9)

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

Chairman Costello recognized Mrs. Fairless who presented death benefits for the family of Firefighter Charles Bates. (Attachment 10) The benefits include the one time \$2000 lump sum to assist with funeral expenses, the monthly widow benefit of 25% of his AFC, the monthly widow consultant benefit of 25% of his AFC, a refund of his DROP accumulation, and a monthly payment to one of his two children payable while she is still a full-time college student until her 25th birthday. The other child is not eligible as she is over 18 and no longer a full-time student.

Trustee Zakibe moved to approve all death benefits as presented. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

Chairman Costello then recognized Mrs. Fairless for an update on the FRP logo. Mrs. Fairless stated she has meeting scheduled for Tuesday, June 2nd with the artist.

Chairman Costello called for other business.

Mrs. Fairless presented to the Board the "GASB 67 and 68 Reports as of September 30, 2014 as prepared by Cheiron (Attachment 11). The reports are required by law and will be used by the City for its audit.

Trustee Zakibe moved to approve the GASB 67 and 68 Reports prepared by Cheiron as presented. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

Chairman Costello called for any further business.

Counselor Garvin stated the sick leave litigation between the City and the FRS has been finalized and that he has copies of the settlement (Attachment 12) if anyone is interested. Once FRS pays FRP the agreed upon amount, pension calculations will be redone for impacted retirees.

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

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

Meeting adjourned at 4:35 p.m.



Richard R. Frank, Secretary



Date