

FIREFIGHTERS' RETIREMENT PLAN
MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, FEB 28, 2019
1:30 P.M.
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE
ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; February 28, 2019

Trustees met at 1:30 p.m.

Meeting Held In: Room 746, Carnahan Building.

Present: John Costello, Chairman; Michael Pollihan, Beverly Fitzsimmons, Paul Payne, Nevena Chamov, Kenny Mitchell and Harvey Citerman, Trustees.

Also present: Janice Fairless and Tim Myles, Firefighters' Retirement Plan; Rich Olliges, ERS; Mark Lawson, City Counselor's Office; Barry Bryant, Dahab; Gina Cochran & Kelly Harrell, Kerber, Eck & Braeckel, LLP ("KEB").

Excused: Richard Frank, Secretary.

Chairman Costello called the session to order at 1:30 pm. He introduced Nevena Chamov who replaces Steve Conway as a Mayoral appointed Trustee to the Board.

Chairman Costello presented the minutes of the January 31, 2019 meeting. Trustee Citerman noted two typos that need to be corrected: one showed the plan's net assets incorrectly as \$76,985 but the amount should be \$76.985 Million; and the date of February meeting showed 2/25 but should be 2/28.

Trustee Mitchell moved to approve the minutes of the January 31, 2019 meeting as corrected. Motion seconded by Trustee Payne and carried by a 6-0-1 vote of all Trustees present, with Trustee Chamov abstaining.

Chairman Costello asked Mr. Bryant from Dahab to present the Performance Review for December 31, 2018 (Attachment 1). Mr. Bryant noted three main things which impact the market: corporate profits, trade talks with China and the Federal Interest Rate. The fourth

quarter was the worse we have seen in 7 years. The portfolio lost \$8.4 million for the quarter. The market value as of 12/2018 was \$69,295,544. The January preliminary showed the portfolio had already rebounded from half of the fourth quarter losses (Attachment 1A). The FYTD was -5%. The market value is \$73,619,445. Mr. Bryant also shared a chart which showed the distribution of investment return assumptions (Attachment 1B). This chart shows how return assumptions have gone down over the years. Discussion Followed.

Trustee Mitchell moved to approve the Performance report as presented. Motion seconded by Trustee Payne and carried by a 7-0 vote of all Trustees present.

It should be noted Mr. Bryant offered to review reports prior to the next meeting with the new Trustees. Mrs. Fairless will take this into consideration as training is arranged for the new Trustees.

The Chairman then called for the Auditors, Gina Cochran and Kelly Harrell of KEB, to present the findings of their audit to the Board (Attachment 2). The Auditors presented an “Unmodified opinion” which means they have no reservations concerning the financial statements. It is also known as a “clean opinion” meaning that the financial statements appear to be presented fairly in conformity with Generally Accepted Accounting Principles (GAAP). The auditors then presented all the reports to the Board. Discussion followed.

Trustee Payne moved to approve all the audit reports including the GASB 68, Internal Controls, the Financial Statement, and the Report to the Board of Trustees as presented. Motion seconded by Trustee Citerman and carried by a 7-0 vote of all Trustees present.

The next item on the agenda was the approval of the Final Actuarial GASB report prepared by Cheiron. This report was approved at the January meeting and a final draft was presented to each Board member (Attachment 3).

The Chairman then called on Mrs. Fairless who presented Pension Benefits for two retirees. Captain Keuss and Private Fitts, both retired with 35 years of service (Attachment 4). Both have monthly benefits, refunds of contributions, and “sick leave accruals” due to an increase in the value of their sick leave from 2/1/2013.

Trustee Mitchell moved to approve the pension benefits as presented. Motion seconded by Trustee Payne and carried by a 7-0 vote of all Trustees present.

The Chairman then called on Mrs. Fairless to present DROP benefits. William Trankle is entering the DROP (Attachment 5).

Trustee Mitchell moved to approve the DROP benefits as presented. Motion seconded by Trustee Payne and carried by a 7-0 vote of all Trustees present.

The Chairman then asked Mrs. Fairless to present the status on the Actuary, Auditor, and Vocational Consultant's contract (Attachment 6). Mrs. Fairless noted Cheiron had provided a fee schedule for a contract extension which was already approved at a prior meeting (Attachment 7). In reviewing the fees Trustee Citerman noted this is a very reasonable estimate.

Trustee Pollihan moved to accept a one year extension on the Cheiron Contract for Actuarial Services. Motion seconded by Trustee Citermann and carried by a 7-0 vote of all Trustees present.

Discussion followed on the Auditing Services contract and the Vocational Consultant's. The following motion was made.

Trustee Citermann moved to ask the current Auditor (KEB) and Vocational Consultant to prepare fees schedules the Board can review to determine if the BOT will opt for a contract extension or RFP at the next meeting. Motion seconded by Trustee Pollihan and carried by a 7-0 vote of all Trustees present.

The Chairman then went on to ask Trustee Mitchell to open up discussion on voting on an actuarial study so all Firefighters in the Plan would be eligible for the DROP. Discussion followed. The actuaries estimated a cost estimate of \$5,500 if the exact same assumptions were used that are used for grandfathered members entering DROP today (Attachment 8). Mrs. Fairless pointed out that since a 5-year AFC applies to these members and the members are actuarially reduced prior to age 55, and they do not receive full 75% of pension until 35 years based on a slightly different pension formula, then it is likely a new set of assumptions would need to be used for this group. Trustee Payne asked the Board where the "list of concerns with the Ordinance" was that they were to present. Trustee Payne felt those should be addressed prior to new enhancements being added to the Plan. Other Board members said they are still working on their "lists".

Trustee Mitchell than questioned why the FRP needs to follow any State Statues if it is under a City Ordinance. Trustee Mitchell wants a clarification on Chapter 105. Legal agreed to provide further guidance on this issue at the next meeting.

At this point in time Mr. Olliges from the Employees Retirement System left the meeting.

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 Pollihan moved to go into Closed Session. Motion seconded by Trustee Mitchell and carried by a 7-0 roll call vote of all Trustees present.

Returned from Closed Session at 3:35 p.m.

The Chairman asked for motions coming forward from closed session. There were none.


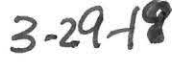
Chairman Costello called for the Board to confirm the date and time of the next two meetings. The Board confirmed March 28, at 1:30 pm, and April 25 at 1:30 pm as the date and time of the next two meetings.

The Chairman called for any further business. The Chairman brought up the need for the plan to get some security fraud monitors. Security fraud monitors work for a contingency, receiving a percentage of any funds they collect from securities fraud settlements. Discussion followed and it was agreed this matter would be added to the March agenda.

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

Trustee Payne moved to adjourn the meeting. Motion seconded by Trustee Mitchell and carried by a 7-0 vote of all Trustees present.

Meeting adjourned at 3:40 p.m.

	
<hr/> Richard R. Frank, Secretary	<hr/> Date
