

FIREFIGHTERS' RETIREMENT PLAN
MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, FEBRUARY 26, 2015
1:30 PM
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; February 26, 2015

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 Steve Roth, Dahab and Associates; Stephen McElhaney, Janet Cranna and Brett Warren, Cheiron; Denise Droege and Richard Olliges, Employees Retirement System; Janice Fairless and Andy Leeser, Firefighters' Retirement Plan; Michael Garvin, Christine Hodzic and Mallori Allen, City Counselor's Office; Sue Degunia, Firemen's Retirement System.

Excused: Patrick Brown, Trustee.

Chairman Smith called the meeting to order at 1:35 pm.

Chairman Smith presented the minutes of the January 29, 2015 meeting (Attachment 1). Secretary Frank noted on page on 3 to correct "...the FRP office will **be moved** to **"will move"**. Trustee Payne also noted that he had agreed to the move to approve the expenses for the FRP office as presented after discussion. So it should be corrected from "Motion....carried by a **5-1 vote with Trustee Payne objecting** to: "Motion carried by a **6-0 vote of all Trustees present**.

Trustee Zakibe moved to approve the minutes as amended. Motion seconded by Trustee Costello and carried by a 5-0 vote of all Trustees present.

Chairman Smith presented the minutes of the February 13, 2015 special meeting.

Trustee Zakibe moved to approve the minutes as presented. Motion seconded by Trustee Costello and carried by a 5-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented two DROP allowances for approval: Private Andrew Giles and Captain Raymond Daniels (Attachment 2).

Trustee Zakibe moved to approve the two DROP allowances as presented. Motion seconded by Trustee Payne and carried by a 5-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented a new pension allowance and sick leave benefit for approval for Captain John Watson (Attachment 3).

Trustee Zakibe moved to approve the pension allowance and sick leave payment as presented. Motion seconded by Trustee Costello and carried by a 5-0 vote of all Trustees present.

Chairman Smith recognized Mrs. Fairless who presented two refunds of contributions for Firefighters Cage and Watson. Firefighter Cage received the bulk of his refund in July; however an audit revealed a small additional amount owed to Firefighter Cage; Captain Watson is due a refund as he is retiring (Attachment 4).

Trustee Costello moved to approve the refunds of contributions as presented. Motion seconded by Trustee Zakibe and carried by a 5-0 vote of all Trustees present.

Trustee Glorioso, not previously in attendance, joined the meeting at this time.

Chairman Smith introduced Stephen McElhaney, Janet Cranna and Brett Warren from Cheiron, the FRP actuary. Ms. Cranna and Mr. McElhaney reviewed and discussed a PowerPoint presentation (Attachment 5a) on the 2014 actuarial valuation and Cheiron's full Actuarial Valuation as of October 1, 2014. (Attachment 5) covering the following:

- Board Summary
- Assets
- Liabilities

- Contributions
- Accounting Statement Information (GASB)
- Appendices A-Plan Membership, B-actuarial assumptions and methods, C-pertinent plan provision

Discussion followed on the report. Cheiron then presented a letter regarding the Interest rate for DROP accounts. Interest for the plan year is 2.5% (Attachment 6).

Chairman Smith called for a motion on the full actuarial valuation presented by Cheiron.

Trustee Glorioso moved to approve the actuarial valuation as presented by Cheiron (Attachment 5). Motion seconded by Trustee Zakibe and carried by a 6-0 vote of all Trustees present.

Chairman Smith called for a motion on the Interest letter for DROP participants.

Trustee Costello moved to approve the interest letter as presented by the actuary (attachment 6). Motion seconded by Trustee Glorioso

Chairman Smith recognized Mrs. Fairless regarding the approval of the contract for core fixed income money manager. Ms. Fairless explained at this time the contract is still in negotiations and therefore asked to lay this matter over to the next meeting.

Chairman Smith recognized Mr. Roth from Dahab who reviewed a performance report with the Board (attachment 7). Year-to-date through 2/28/14, the total portfolio is up 2.6%. Mr. Roth noted that at the next meeting he will be presenting the Board with the summary of the SMID Money Manager search.

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

Chairman Smith recognized Mrs. Fairless who presented the Investment Policy with the update approved at the January meeting (adding "The Procurement Action Plan to the Investment Policy" (Attachment 8).

Trustee Glorioso moved to approve the updated Investment Policy as presented. Motion seconded by Trustee Pollihan and approved by a 6-0 vote of all trustees present.

Chairman Smith recognized Counselor Hodzic who discussed the Service Buy Back (Attachment 9a) and Service Transfer Policies (Attachment 9). She explained that Ice Miller has been working on both policies. Discussion followed on the need for a pre-approved model agreement for the transfer of service between two plans. Mrs. Fairless explained she has received a handful of calls inquiry about buying service. The actuarial contract will need to be reviewed to see if calculations for determining the cost to purchase service are included in the contracted services.

Trustee Zakibe moved to lay this matter over until additional details are worked out on the purchase service policy as there remain too many unanswered questions. Motion seconded by Trustee Costello and carried by a 6-0 vote of all trustees present.

Chairman Smith recognized Mrs. Fairless regarding the Northern Trust Web Cash Movement Authorizations (Attachment 10). Ms. Fairless explained these forms are required so electronic transfers of funds can be initiated by the plan. Mrs. Fairless, Mr. Leeser, Mrs. Droege and Mr. Olliges would be authorized to initiate transactions. There is still the required checking/verification of orders by Northern Trust, but the need to create individual letters for each transaction would be eliminated.

Trustee Glorioso moved to approve the Northern Trust Web Cash Movement authorizations as requested. Motion seconded by Trustee Pollihan and carried by a 6-0 vote of all trustees present.

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 3:00 pm.

Chairman Smith called for other business.

Trustee Costello asked if each month with the distribution of minutes staff can put out a small statement regarding the total amount of payments the FRP is making to retirees.

This mirrors what the FRS does monthly. Mr. Leaser agreed to put the information together and Mrs. Fairless will distribute with the monthly minutes.

Trustee Costello asked staff if they can notify firefighters when their Heart Lung Tests are due. Mrs. Fairless explained that all Heart Lung Tests, with the exception of 3, currently reside with the FRS. In order to process a disability claim the FRS requires the FRP to send a medical records release form for each record. The firefighter may also hand carry the information to the FRP office from the FRS office; however HIPPA regulations prevent the FRS from sharing this information directly with the FRP. So the FRP is not able to generate any reports because we do not have any files on the last Heart Lung Tests. Staff will continue to work on this issue for a smooth transition and the establishment of an acceptable process.

Trustee Costello shared he has had several questions on the new "oath & certification" regarding felony convictions that all applicants for retirement must now complete. It was explained that the oath document is just certifying that the Firefighter has not committed any felonies **related to their job** and does not pertain to anything outside of work. A copy of the oath and House Bill will be placed on the FRP web site for easy access.

Chairman Smith called again for further 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 Costello and approved 6-0 by all Trustees in attendance.

Meeting adjourned at 3:15 pm.

Michael K. Fial
Secretary

03/30/15
Date