

FIREFIGHTERS' RETIREMENT PLAN
MINUTES
BOARD OF TRUSTEES MEETING
THURSDAY, SEPTEMBER 24, 2015
1:30 PM
1114 MARKET STREET, ST. LOUIS, MO 63101
CARNAHAN COURTHOUSE, ROOM 746

Regular Meeting pursuant to call.

St. Louis, Missouri; September 24, 2015

Trustees met at 1:30 p.m.

Meeting Held In: Room 746, Carnahan Building

Present: John Costello, Chairman; Paul Payne, James Sondermann, John Zakibe, Bridget Halquist, Michael Pollihan and Jeffery Glorioso, Trustees.

Excused: Richard Frank, Secretary.

Also present were Steve Roth, Dahab and Associates; Bev Fitzsimmons, Comptroller's Office; Denise Droege and Rich Olliges, Employees Retirement System; Janice Fairless and Andy Leeser, Firefighters' Retirement Plan; Mike Gavin and Mallori Allen, City Counselor's Office; and John Brewer, FRS.

Chairman Costello called the meeting to order at 1:32 p.m.

Prior to the agenda guests were introduced: Trustee Zakibe announced he is retiring in December and introduced Bev Fitzsimmons with the Comptroller's Office who will be taking John's place on the Board. Chairman Costello introduced John Brewer Executive Director at the Firemen's Retirement Plan (FRS).

Chairman Costello presented the minutes of the regular meeting of August 27, 2015.

Trustee Zakibe moved to approve the minutes of August 27, 2015 as presented. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees Present.

Chairman Costello called on Steve Roth, from Dahab for an update. Mr. Roth confirmed the RFP for International Equities has been posted to their web site. The RFP closes on October 7, 2015, and then Mr. Roth hopes to have

the summaries available at the November meeting so the Board will be able to select finalists to present in December.

Mr. Roth then discussed the preliminary performance and market values as of August 31, 2015 (Attachment1). The full report will be presented at the October meeting. Great Lakes (SMID manager) out-performed the benchmark as did Garcia Hamilton (fixed income manager). However, the benchmark was -5.9 and -.1 respectively. Discussion on the current market followed.

Trustee Glorioso moved to accept the preliminary performance report as presented. Motion seconded by Trustee Zakibe and carried by a 6-0 vote.

Chairman Costello recognized Mrs. Fairless to present Pension allowances. Mrs. Fairless presented one pension allowance including a sick leave benefit for Firefighter Shawn Tobias (Attachment 2). Firefighter Tobias has a short time in the FRP as he was in DROP on 2/1/2013 and has less than a year in the Plan.

Trustee Payne moved to approve Firefighter Tobias' pension allowance including the Sick Leave benefit as presented. Motion seconded by Trustee Pollihan and carried by a 6-0 vote of all Trustees present.

Chairman Costello recognized Mrs. Fairless to present DROP allowances. Mrs. Fairless presented one DROP allowance for Firefighter James Kern who entered DROP on his 55 birthday to avoid any reduction (Attachment 3).

Trustee Payne moved to approve Firefighter Kern's DROP allowance as presented. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Costello then recognized Mrs. Fairless to present Refunds of Contributions. Mrs. Fairless presented two: one for Firefighter Tobias retiring with over twenty years of service, and one for Earl Sherman who terminated employment in May of 2015 (Attachment 4).

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

Chairman Costello then asked Mrs. Fairless to open discussion on the 2016 Budget. Mrs. Fairless first presented a memo to the Board on the Budget for the fiscal year 2015 (Attachment 5). Total expenditures for 2015 are projected to be \$34,524 under the appropriated amount. Most areas the Plan came in under budget with a few exceptions noting the carpet expense, the City

Administration Allocation (first year charged), and the Investment Management fees (money manager).

Mrs. Fairless then presented the 2016 Budget to the Board (Attachment 6) and discussion followed. Trustee Payne asked questions regarding the Investment Management Fees. This is the fee paid to the money managers. The Plan now has a SMID manager (55 bps), a fixed income manager (25 bps), and a RFP out for a Large CAP manager (budgeted at 50 bps). The City Administration Allocation to cover the cost of shared services with the City has also been budgeted this year. This covers items such as: phones, internet, IT, electricity, office space, and legal counsel. Salaries remain low at \$111,731 for 3 employees - one fulltime, one 75%, and one starting fulltime in approximately December. There being no further discussion, the Chairman called for a motion.

Trustee Zakibe moved to accept both the preliminary budget report for the fiscal year ending September 30, 2015, and to accept the Budget as presented for Fiscal Year Ending September 30, 2016. Motion seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Costello then addressed the selection of two representatives for the selection committee for the Vocational Consultant RFP. Chairman Costello first asked for volunteers. Trustee Glorioso volunteered to be one of the representatives. Upon further discussion it was decided Secretary Frank should be the Chairman for this committee as his vast knowledge of personnel and vocational issues would be valuable on a search committee for a Vocational Consultant. Bev Fitzsimmons has been appointed from the Comptrollers office, and we are still waiting for the Mayor's and President of the Board of Alderman's appointees.

Chairman Costello moved to appoint Secretary Frank and Trustee Glorioso to the selection committee for Vocational Rehabilitation Consultant with Secretary Frank serving as Chairman. Motion seconded by Trustee Payne and carried by a 6-0 vote of all Trustees present.

Chairman Costello recognized Mrs. Fairless who brought to the Board's attention the fact the Ordinance states the fiduciaries should be "bonded". Discussion followed on whether the fiduciary liability policy covers this, and upon review the fiduciary liability policy does not cover "criminal activity" so a bond or criminal activity policy is needed. Mrs. Droege and Mr. Olliges from ERS confirmed the ERS does indeed carry a fiduciary bond/criminal activity

policy as well a cyber liability policy. Discussion then followed on the need for a cyber liability policy. Trustee Glorioso commented “it’s just a matter of time” as we hear much larger organizations being hit with identify theft. It would be in the best interest of the Plan to be prepared. Mrs. Fairless commented her research on these policies places the cost at \$700-\$750 for the Fiduciary Bond/Criminal policy, and \$700-\$1200 for the Cyber Liability policy both of which were included in the new budget.

Trustee Zakibe moved to have staff pursue a Fiduciary Bond/Criminal Policy and a Cyber Liability policy. Motion was seconded by Trustee Glorioso and carried by a 6-0 vote of all Trustees present.

Chairman Costello then brought up the topic of the November and December meetings. Currently they would fall on Thanksgiving Day and Christmas Eve. By a consensus of the Board the new date for the November meeting is November 19th, and the December meeting is December 17th. Both meetings will be at 1:30 pm in room 746.

Chairman Costello recognized Mrs. Fairless for an update on the FRS review of the service transfer/buy requests. Mrs. Fairless stated the FRP actuary is still waiting to hear from the FRS actuary (GRS). Mr. Brewer added that the FRS actuary has a few more questions for the FRP actuary (Cheiron).

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

Chairman Costello then recognized Counselors Garvin & Allen for an update on the Technical Corrections Board Bill. Counselor Hodzic who had been working on the draft is now assigned to the Police Department so Counselor Allen will be FRP’s main contact going forward. Counselors Garvin and Allen presented the draft of the “Technical Corrections/Clean-Up Ordinance” (Attachment 7) along with a summary of all the changes since the Board had last seen the draft (Attachment 8). Discussion followed.

Trustee Pollihan moved for the Firefighters’ Retirement Plan to endorse the Technical Corrections Board Bill. The motion was seconded by Trustee Glorioso and carried by a 7-0 vote of all Trustees.

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 Zakibe moved to go into closed session. Motion seconded by Trustee Glorioso 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 2:10 p.m.

Chairman Costello called for other business.

Chairman Costello and Trustee Glorioso opened discussion on the actuary presentation from August regarding the error in the valuation. Several firefighters have expressed their displeasure with the verbal agreement and have a lack of trust that the \$1.4 million shortage on this year's valuation will be paid next year. Discussion followed with Trustee Payne explaining the shortage will show up on the next actuarial valuation. Since the exact dollar amount is not determined until the future valuation is done it is not something you can draft a letter on; however, the error and future payment expectation is clearly documented in the official minutes of this Board.

Chairman Costello called for other business.

Trustee Glorioso shared he has been receiving numerous inquiries from Firefighters on their Heart Lung and annual physicals. He asked if there was any way Barnes Care could be utilized for their five year Heart/Lung physical and annual infectious disease tests. In the past this has been an option because of grants which were paying for the firefighter tests. The FRP staff will check with the Benefits Division to see if that is a future possibility.

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

Trustee Zakibe moved to adjourn the meeting. The motion was seconded by Trustee Glorioso and carried by a 7-0 vote of all Trustees present.

Meeting adjourned at 2:10 p.m.



Richard R. Frank, Secretary



Date