

**Minutes
Firefighters' Pension Fund Board of Trustees
November 7, 2012
Quarterly Meeting**

Call to Order: Chair Randy Farland called the meeting of the Firefighters' Pension Fund Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Randy Farland
Donn Hill
Matthew McAreavey

Board Members Absent: Paul Livermore
Mark Sivertson

Staff Members Present: Bill O'Toole, Director of Human Resources
Tracy Turbak, Director of Finance
Tom Huber, Assistant Director of Finance
Gail Eiesland, Deputy City Attorney
Angie Uthe, Compensation & Benefits Manager
Kathy Pottebaum, Benefits Technician

Others present: Employee's Retirement System Board of Trustees members:
Cathy Bianchi, Matt Burns, Peggy Dant, Shawna Goldammer &
Dave Nadolski
Howard Pohl, Becker, Burke Associates
Louise Gates, Gabriel Roeder Smith & Co.

The Firefighters' Pension Fund Board of Trustees and the Employee's Retirement System Board of Trustees met in joint session.

A motion was made by McAreavey, seconded by Hill, to approve the August 1, 2012 meeting minutes. Motion carried unanimously.

Howard Pohl presented the Board with the 2012 third quarter performance report. The market value of the Plan increased from \$104.6 million to \$108.5 million. The funds had a rate of return of 5.1% in the third quarter compared to the 4.9% median of the Becker, Burke Plan universe. The annual return was 20.8% compared to the median of 15.8%. Results for the past five years of 3.8% were above the 2.5% median. The Total Plan had 50% of its quarter end assets with domestic equity managers, 16% with international developed markets, 3% with international emerging markets, 24% in domestic bonds, and 6% in real estate. The total plan had top quartile performance relative to all plans in the quarter and was in the top decile for the year. It was top quartile for five years. Risk, as measured by the fluctuation of quarterly returns was top quartile, while the reward/risk ratio was above average.

Pohl also reviewed the board's annualized returns from December 31, 1994, through September 30, 2012, illustrating the following results:

Total Fund	8.7%
Domestic Equity	9.2%
S&P 500	7.5%
International Equity	6.5%
EAFE	3.9%
Fixed Income	8.4%
Barclays Aggregate	6.9%

Tom Huber briefly discussed the current asset allocation of the portfolio compared to target range. No action needed.

Bill O'Toole gave an update on the employee election results and South Dakota Retirement System Board meeting.

Louise Gates discussed the proposed actuarial projects and timeline associated with the approved plan design changes.

A motion was made by Hill, seconded by McAreavey, to authorize Gabriel Roeder Smith and Company to conduct an Actuarial Study on Future Assumptions and Methods as a result of the plan design changes. Motion passed unanimously.

The 2013 quarterly meeting schedule was approved as follows: February 6, May 8, August 14 and November 6.

Matt McAreavey asked the Board to consider a modified effective date for the Stipend Benefit from January 2014 to January 2013. The item will be added to the February 2013 meeting agenda for discussion.

A motion was made by McAreavey, seconded by Hill, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 10:55 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer