

**Minutes
Firefighters' Pension Fund Board of Trustees
May 6, 2015
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
Paul Livermore
Matthew McAreavey
Mark Sivertson

Board Members Absent: None

Staff Members Present: Bill O'Toole, Director of Human Resources
Thomas Huber, Assistant Director of Finance
David Pfeifle, City Attorney
Angie Uthe, Compensation & Benefits Manager
Kathy Pottebaum, Payroll/Benefits Specialist

Others present: Employee's Retirement System Board of Trustees members:
Cathy Bianchi, Matt Burns, Angeline Lavin, Amy Richardson,
Adam Schwab & Lon Tiggelaar
Howard Pohl & Peter Brown, The Bogdahn Group
Louise Gates, Gabriel Roeder Smith & Company

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 February 4, 2015 meeting minutes. Motion carried unanimously.

A motion was made by Hill, seconded by McAreavey, to approve the February 18, 2015 meeting minutes. Motion carried unanimously.

A motion was made by McAreavey, seconded by Hill, to approve the March 26, 2015 meeting minutes. Motion carried unanimously.

Louise Gates presented the board with the December 31, 2014 Annual Actuarial Valuation. The report indicated that the plan had a funded ratio of 82.0% for 2014 for pension benefits and 265.6% for retiree health benefits as of December 31, 2014. These ratios reflect the impact of closing the retiree health plan and implementing the stipend for any member that retirees on or after 1/1/14.

The results of the valuation identified the City's 2016 pension contribution for the Firefighters' Pension Fund will be \$4,407,249.

A motion was made by McAreavey, seconded by Sivertson, to authorize the actuary to implement the same interest rate and mortality table for calculation of early-reduced benefits as used in the most recent valuation for the pension plan.

A motion was made by McAreavey, seconded by Sivertson, to approve the 2014 Annual Actuarial Valuation. Motion carried unanimously.

Tom Huber presented the Board with the 2014 Annual Financial Report.

The report was compiled in accordance with the City's pension ordinances and includes two attached statements which are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are published as part of the City's Comprehensive Annual Financial Report. The GAAP reports showed an increase in net assets from \$130.6 million to \$137.7 million for the year ending December 31, 2014.

A motion was made by Livermore, seconded by McAreavey, to approve the 2014 Annual Financial Report. Motion carried unanimously.

Uthe presented the board with the 2014 pension logs indicating retirements, refunds, deferred retirements, and deaths in the general and police divisions.

A motion was made by McAreavey, seconded by Livermore, to approve the 2014 pension log pending addition of the member stipend benefits. Motion carried unanimously.

A motion was made by McAreavey, seconded by Sivertson, to nominate Randy Farland as Board Chairperson. Motion carried unanimously.

A motion was made by Livermore, seconded by Sivertson, to nominate Matt McAreavey as Board Chairperson Pro Tem. Motion carried unanimously.

Howard Pohl and Peter Brown presented the Board with the 2015 first quarter performance report. The performance in the quarter of 2.8% ranked in the top quartile versus all plans within the Bogdahn Group plan universe and above the policy benchmark. The annual 8.2% return was top third and above the policy bogey, while the five year 11.6% ranked in the top decile and beat the policy. The market value of the Fund increased from \$137.3 million to \$141.0 million in the quarter.

Tom Huber reviewed the Investment Allocations and Manager Structure including rebalancing actions that were completed within the quarter. There were no recommended changes or actions.

A motion was made by McAreavey, seconded by Sivertson, to enter into executive session pursuant to SDCL 1-25-2 and 1-27-1.5(2), for review of personal medical records for purposes of determining eligibility for disability benefits and for determining eligibility for ongoing disability benefits. Motion carried unanimously.

A motion was made by McAreavey, seconded by Livermore, to exit executive session. Motion carried unanimously.

A motion was made by McAreavey, seconded by Livermore, to continue disability benefits for Anthony Drovdal. Motion carried unanimously.

A motion was made by McAreavey, seconded by Livermore, to approve non-duty disability benefits for Jeb Ford. Motion carried unanimously.

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

The Board adjourned at 11:40 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer