

**Minutes
Firefighters' Pension Fund Board of Trustees
May 11, 2016
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
Mark Sivertson

Board Members Absent: None

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

Others present: Employee's Retirement System Board of Trustees members: Cathy Bianchi, Angeline Lavin, James Larson, Amy Richardson & 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 Sivertson, seconded by McAreavey, to approve the February 10, 2016 meeting minutes. Motion carried unanimously.

Louise Gates presented the board with the December 31, 2015 Annual Actuarial Valuation. The report indicated that the plan had a funded ratio of 82.4% for pension benefits and 263.7% for retiree health benefits as of December 31, 2015. These ratios reflect the impact of closing the retiree health plan and implementing the stipend for any member that retires on or after 1/1/14. The report also reflects the change in investment return assumption from 7.65% to 7.5%.

The results of the valuation identified the City's 2017 pension contribution of \$4,663,613 for the Firefighters' Pension Fund.

A motion was made by McAreavey, seconded by Hill, to approve the 2015 Annual Actuarial Valuation. Motion carried unanimously.

Tom Huber updated the Board on the Request for Determination submitted to the IRS, noting that the IRS acknowledged receipt and we are awaiting final review.

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 a decrease in net assets from \$137.7 million to \$135.7 million for the year ending December 31, 2015.

A motion was made by McAreavey, seconded by Hill, to approve the 2015 Annual Financial Report. Motion carried unanimously.

Uthe presented the board with the 2015 pension log, which reports all retirements, stipends, refunds, deferred retirements, and deaths of plan members.

A motion was made by McAreavey, seconded by Sivertson, to approve the 2015 pension log. Motion carried unanimously.

Howard Pohl and Peter Brown presented the Board with the 2016 first quarter performance report. The performance in the quarter of 2.1% ranked in the top quartile versus all plans within the Bogdahn Group plan universe and above the policy benchmark. The annual -0.6% return was top third and above the policy bogey, while the five year 8.3% ranked in the top decile and beat the policy. The market value of the Fund increased from \$135.4 million to \$138.2 million in the quarter.

Tom Huber reviewed the Investment Allocations and Manager Structure. Real estate and international equity remain outside of targets pursuant to prior Board direction. There were no recommended changes or actions. The Bogdahn Group will provide an update at the next meeting on options for expanding the allocation to real estate.

A motion was made by Hill, seconded by McAreavey, to elect Tyler Stewart as Trustee with the Firefighters' Pension Fund Board of Trustees. Motion carried unanimously.

A motion was made by McAreavey, seconded by Hill, 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 ongoing disability benefits. Motion carried unanimously.

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

A motion was made by McAreavey, seconded by Hill, to continue disability benefits for Jeb Ford. Motion carried unanimously.

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

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

The Board adjourned at 11:18 a.m.

Respectfully submitted,
Angie Uthe, Recording Officer