

**Minutes
Employee's Retirement System Board of Trustees
February 10, 2016
Quarterly Meeting**

Call to Order: Chair Angeline Lavin called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Cathy Bianchi
James Larson
Angeline Lavin
Amy Richardson
Adam Schwab
Lon Tiggelaar

Board Members Absent: Donn Hill

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

Others present: Firefighters' Pension Fund Board of Trustees members: Randy Farland, Mark Sivertson & Matt McAreavey
Howard Pohl & Peter Brown, The Bogdahn Group

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

A motion was made by Bianchi, seconded by Richardson, to nominate Angeline Lavin as Board Chairperson. Motion carried unanimously.

A motion was made by Bianchi, seconded by Richardson to nominate Adam Schwab as Board Chairperson Pro Tem. Motion carried unanimously.

A motion was made by Larson, seconded by Schwab, to approve the November 4, 2015 meeting minutes. Motion carried unanimously.

The Board welcomed new Trustee James Larson. Larson was elected by the employee members to complete the term of office for Matt Burns. Larson's term expires in December 2017.

Tom Huber updated the Board on the Determination Letter request to the IRS and the 401(h) account recommendations from legal counsel.

A motion was made by Richardson, seconded by Bianchi to authorize administration to work with legal counsel to update City ordinances to the current Internal Revenue Code, to restructure the current retiree medical plan as a 115 trust, maintaining the same benefits as currently provided to retirees, and to submit updates to the Board for approval. Motion carried with Bianchi, Larson, Lavin, Richardson and Schwab voting yes and Tiggelaar voting no.

Howard Pohl and Peter Brown presented the Board with the 2015 fourth quarter performance report. The performance in the quarter of 3.2% ranked in the top quartile versus all plans within the Bogdahn Group plan universe, but below the policy benchmark. The annual 0.1% return was above average and just below the policy bogey, while the five year 8.8% ranked in the top decile and beat the policy. The market value of the Fund increased from \$377.6 million to \$384.3 million in the quarter.

Tom Huber reviewed the Investment Allocations and Manager Structure and there were no recommended changes or actions.

The Board reviewed the investment policy with no changes recommended.

A motion was made by Larson, seconded by Richardson, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 10:40 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer