

**Minutes  
Firefighters' Pension Fund Board of Trustees  
August 14, 2013  
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: Paul Livermore

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, Payroll/Benefits Specialist

Others present: Employee's Retirement System Board of Trustees members:  
Cathy Bianchi, Matt Burns, Peggy Dant, Shawna Goldammer,  
Angeline Lavin & Dave Nadolski  
Howard Pohl & Mary Nye, 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 Sivertson, seconded by Hill, to approve the May 8, 2013 meeting minutes. Motion carried unanimously.**

Howard Pohl presented the Board with the 2013 second quarter performance report. The market value of the Plan decreased from \$117.4 million to \$116.9 million. The funds had a rate of return of 0.4% in the second quarter compared to the 0.3% median of the Becker, Burke Plan universe. The annual return was 14.6% compared to the median of 11.3%. Results for the past five years of 7.4% were above the 5.2% median. The Total Plan had 53% of its quarter end assets with domestic equity managers, 17% with international developed markets, 3% with international emerging markets, 22% in domestic bonds, and 6% in real estate. The total plan had top third performance relative to all plans in the quarter and was in the top decile for the year. It was top decile 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 June 30, 2013, illustrating the following results:

<b>Total Fund</b>	<b>9.5%</b>
Domestic Equity	10.7%
S&P 500	9.0%
International Equity	7.2%
EAFE	4.8%
Fixed Income	8.0%
Barclays Aggregate	6.4%

**A motion was made by Hill, seconded by McAreavey to hire a tax attorney to provide an opinion on the use/transfer of the projected excess funds in the 401H account due to plan design changes including closing down future retiree access to the City's health plan. Motion carried unanimously.**

Tom Huber briefly discussed the current asset allocation of the portfolio. He also reviewed the following five-year objectives adopted by the Board to fully recognize the impact of the plan design changes: stabilize and reduce city contribution rates, reduce the investment assumption, fully implement the new mortality table, and maintain the current wage inflation assumption.

Mary Nye reviewed the results for the Emerging Market Fund Manager search. They received twenty-one responses and presented eight firms to the Board for consideration.

**A motion was made by McAreavey, seconded by Hill to invite the following three firms in for interviews in November: The Vanguard Group, Inc., Vontobel Asset Management, Inc., Wells Capital Management, Inc. Motion carried unanimously.**

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

The Board adjourned at 10:50 a.m.

Respectfully submitted,

Angie Uthe  
Recording Officer