

**Minutes  
Firefighters' Pension Fund Board of Trustees  
February 13, 2014  
Special Meeting**

Call to Order: Chair Randy Farland called the meeting of the Firefighters' Pension Fund Board of Trustees to order at 8:00 a.m. at City Hall.

Board Members Present: Randy Farland  
Donn Hill  
Paul Livermore  
Matthew McAreavey

Board Members Absent: Mark Sivertson

Staff Members Present: Bill O'Toole, Director of Human Resources  
Tom Huber, Assistant Director of Finance  
Angie Uthe, Compensation & Benefits Manager

**A motion was made by Livermore, seconded by McAreavey to approve the November 6, 2013 meeting minutes. Motion carried unanimously.**

**A motion was made by Hill, seconded by Livermore, to approve the assignment of the Becker Burke agreement to The Bogdahn Group. Motion passed unanimously.**

Because this was a special meeting due to the lack of a quorum on February 5, 2014, Howard Pohl was not present for a specific report on the fourth quarter performance report.

Tom Huber asked if there were any questions on the 2013 fourth quarter performance report. The report noted that the market value of the Plan increased from \$123.4 million to \$131.5 million. The funds had a rate of return of 6.7% in the fourth quarter compared to the 4.8% median of the Becker, Burke Plan universe. The annual return was 20.5% compared to the median of 19.3%. Results for the past five years of 15.2% were above the 13.5% 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 decile performance relative to all plans in the quarter and 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 average.

The report also identified the board's annualized returns from December 31, 1994, through December 31, 2013, illustrating the following results:

<b>Total Fund</b>	<b>9.9%</b>
Domestic Equity	11.3%
S&P 500	9.7%
International Equity	7.9%
EAFE	5.6%
Fixed Income	7.9%

Barclays Aggregate	6.2%
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Tom Huber discussed the current asset allocation of the portfolio. Discussion was held on the target percentages for the various allocations.

**A motion was made by Hill, seconded by Livermore, to modify the target asset allocation percentages by reducing the policy target for long duration bonds from 10% to 7.5% and increasing the policy target for intermediate duration bonds from 7.5% to 10%. Motion passed unanimously.**

Bill O'Toole informed the Board of Dave Nadolski's resignation from the Employee's Retirement System Board of Trustees and Gail Eiesland's resignation from the City. The City Attorney will identify Eiesland's replacement in the near future and the City will take applications for Nadolski's replacement.

**A motion was made by McAreavey, seconded by Livermore, 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. Motion carried unanimously.**

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

**A motion was made by Hill, seconded by Livermore, to approve duty disability benefits for William McNamara. Motion carried unanimously.**

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

The Board adjourned at 8:20 a.m.

Respectfully submitted,

Angie Uthe  
Recording Officer