

**Minutes
Firefighters' Pension Fund Board of Trustees
May 10, 2017
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
Tyler Stewart

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
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:
Matthew Adamson, Angeline Lavin, James Larson, Amy
Richardson & Lon Tiggelaar (via phone)
Howard Pohl & Peter Brown, AndCo Consulting
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 8, 2017 meeting minutes. Motion carried unanimously.

Howard Pohl and Peter Brown presented the Board with the 2017 first quarter performance report. The performance in the quarter of 4.9% ranked in the top quartile versus all plans within the AndCo Consulting plan universe and above the policy benchmark. The annual 11.7% return was top third, but below the policy bogey, while the five year 9.2% ranked in the top decile and beat the policy. The market value of the Fund increased from \$144.3 million to \$151.2 million in the quarter.

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

Tom Huber presented the Board with the 2016 Annual Financial Fund Statement which is prepared in accordance with Generally Accepted Accounting Principles (GAAP), is audited as part of the City's independent annual audit, and is published as part of the City's Comprehensive Annual Financial Report. The GAAP reports showed an increase in net assets from \$135.7 million to \$145.1 million for the year ending December 31, 2016.

A motion was made by Hill, seconded by McAreavey, to accept the 2016 Annual Financial Fund Statement. Motion carried unanimously.

Uthe presented the board with the 2016 pension log, which reports all retirements, stipends, refunds, deferred retirements, and deaths of plan members.

A motion was made by McAreavey, seconded by Stewart, to accept the 2016 pension log. Motion carried unanimously.

Louise Gates presented the board with the December 31, 2016 Annual Actuarial Valuation. The report indicated that the general division had a funded ratio of 85.7% for pension benefits and 316.1% for retiree health benefits as of December 31, 2016. 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 results of the valuation identified the City's 2018 pension contribution of \$4,270,282.

A motion was made by McAreavey, seconded by Stewart, to approve the 2016 Annual Actuarial Valuation. Motion carried unanimously.

A motion was made by Hill, seconded by McAreavey, to update the Boards policy to adopt the same economic and non-economic assumptions for benefit options as adopted from time-to-time to measure and establish plan funding. Motion carried unanimously.

Louise Gates illustrated fund projections over the next 50 years using investment return assumptions of 7.5% and 6.5%. This review was an introduction to further work to be completed by GRS and AndCo Consulting on an Asset Liability Study. Further review will be conducted at the August 2017 Board meeting.

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 ongoing disability benefits. Motion carried unanimously.

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

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

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

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

The Board adjourned at 11:10 a.m.

Respectfully submitted,
Angie Uthe, Recording Officer