

CITY OF ST. CLOUD
POLICE & FIRE PENSION BOARD MEETING
MINUTES
Tuesday, February 12, 2019 -4:00 P.M

Members Present: Vincent Shepard, Claude Campbell, Don Miller, Fran Rinehart, and John Jones
Members Absent: None
Plan Attorney: Scott Christiansen
Plan Consultant: Dave West, AndCo Consulting
Investment Managers: Richelle Hayes, American Realty and Greg Peters, Dana
Plan Actuary: Braeleen Scott with Foster & Foster
Plan Administrator: Shelly Baumann
City Staff: Mayor Nathan Blackwell

CALL TO ORDER / ROLL CALL

Chairman Shepard called the meeting to order at 4:00 p.m. There was a quorum with five (5) members present.

HEAR THE AUDIENCE: –

Mayor Nathan Blackwell addressed the Board and presented each Board member with a Committee Appreciation gift of a car trunk organizer along with a certificate. Mayor Blackwell thanked the Board for their service and the great work that they do.

APPROVAL OF MINUTES – The minutes of the November 13, 2018 Romero hearing, November 13, 2018 Hafer hearing, and November 13, 2018 quarterly meeting were presented for approval.

Member Miller made a motion to approve the minutes of the November 13, 2018 Romero hearing, November 13, 2018 Hafer hearing, and the November 13, 2018 quarterly meeting; Member Rinehart seconded the motion, which passed unanimously.

CONSENT AGENDA

Approval of Payments:

- Christiansen & Dehner, P.A. - **\$2,269.82** (legal work Oct 2018), **\$623.20** (Jason Hafer disability work Oct 2018), **\$3,045.08** (Anthony Romero disability work Oct 2018), **\$15.50** (legal work Nov 2018), **\$1,282.77** (Jason Hafer disability work Nov 2018), **\$1,373.63** (Anthony Romero disability work Nov 2018), **\$682.50** (Anthony Romero disability work Dec. 2018)
- Shelly Baumann - **\$4,500.00** (\$1,500 per month for work November 2018, December 2018, and January 2019)

CONSENT AGENDA

Approval of Payments Cont:

- Fifth Third - Custodial Fees: R&D account- **\$133.31**; Mutual Funds (EuroPacific, Templeton) **\$1,379.76**; Dana **\$521.22**; Gabelli **\$346.99**; Garcia Hamilton **\$752.78** (4th quarter, 2018 - deducted from account)
- GAMCO (4th quarter, 2018) **\$8,675.00**
- Garcia Hamilton & Associates (4th quarter 2018) **\$6,301.41**
- Dana Investment Advisors - (4th quarter, 2018) **\$9,571.09**
- American Realty – (4th quarter, 2018) **\$6,172.74**
- Intercontinental – (4th quarter 2018) – deducted from account **\$4,365.00**
- AndCo Consulting (formerly The Bogdahn Group) - (4th quarter, 2018) **\$6,750.00**
- SunTrust Bank credit card payment for Claude Campbell – registration, gas, food and hotel and Fran Rinehart - food and hotel to attend the FPPTA Fall Trustee School **\$2,243.52**
- SunTrust Bank credit card payment 6 sets Romero medical records and mailing to Board **\$123.30**
- SunTrust Bank credit card payment – late fees & interest as Dec payment was returned by SunTrust as unable to post to account **\$30.44**
- FPPTA – 2019 Annual Dues **\$600.00**

Retirements, Refund of Contributions, DROP: Entry to, Rollover, or Refund

- Romy Jean, refund of contributions effective December 12, 2018 **\$479.33**.
- Dave Pierson, commencement of retirement effective February 1, 2019, - member selected a benefit for his lifetime with 100% continued to his Joint Annuitant **\$5,664.90 month**.
- Dave Pierson, rollover of DROP balance effective February 1, 2019 **\$380,473.06**
- Alvin Thornton, commencement of retirement effective February 1, 2019, - member selected a benefit for his lifetime with 120 payments guaranteed **\$2,085.67 month**.
- Alvin Thornton, payout of DROP balance effective February 1, 2019 **\$41,780.15**
- Jason Hafer, commencement of disability retirement effective November 13, 2018, - member selected a benefit for his lifetime with 100% continued to his Joint Annuitant **\$1,638.28 month**. Mr. Hafer was paid a **retro payment of \$2,621.25** which covered 11-13-18 to 12-31-18.
- Peter Szlezak, commencement of normal retirement effective December 1, 2018 – member selected a benefit for his lifetime only **\$3,258.01**

Deposits:

- **\$200.00** Dustyn Almestica – purchase prior government time.

Member Campbell made a motion to approve the Consent Agenda as presented; Member Rinehart seconded the motion, which passed unanimously.

PRESENTATION OF ONLINE BENEFIT CALCULATOR PROGRAM

Ms. Braeleen Scott with Foster & Foster addressed the Board to present a new online benefit calculator program. Ms. Scott stated that the program is very user friendly. The information is up to date with the latest payroll being uploaded each pay period. The portal will also show the members the most recent "green sheet" along with all prior years. The member would be able to do "what if" scenarios using different dates of retirement, beneficiaries etc. The administrator will be able to edit data; however the member has a view only option. There would still be a \$200.00 fee for a final calculation as the actuary must sign off on it. The implementation fee is \$10,000 and a \$10,000 annual fee. Implementation would take about three (3) months and Foster & Foster would come and give training to employees on how to use the system. Ms. Scott noted that if the Police & Fire Plan and the General Plan both purchased the system then the annual fee would be reduced by 10% to \$9,000. Attorney Christiansen noted that this would be an annual contract so the Board could terminate it after one (1) year. He also stated that Foster & Foster would be able to let the Board know how many times it was used in a year which would allow the Board to see if it would be worth it to keep paying for it.

Member Campbell made a motion to put this item on an agenda for a joint meeting with the General Board to discuss purchasing the Online Benefit Calculator Program; Member Rinehart seconded the motion, which passed unanimously.

DISCUSSION

The Board had requested a quote from Foster & Foster for the cost for them to prepare the annual state report. A quote was received in the amount of \$2,500.00. Chairman Shepard stated that he spoke with Gloria in accounting who currently prepares the report and it did not seem that this would be any less work for her. No action was taken.

AndCo Consulting Report - Report for quarter ending December 31, 2018

Mr. Dave West with AndCo Consulting was in attendance and addressed the Board to present the report for quarter ending December 31, 2018. The Plan began with \$51,690,182 and ended with \$47,986,553 for a total negative fund loss for the quarter of - \$3,834,774. Earnings as a percentage for the quarter and for the FYTD were negative -7.54%. Mr. West reviewed an annual letter from Mike Welker, President of AndCo Consulting which thanked the Board for being a loyal client. Mr. West had no recommendation for any changes at this time.

Greg Peters with Dana Investment Advisors addressed the Board to present his report for quarter ending December 31, 2018. The report showed a loss from December 29, 2017 through December 31, 2018 of -\$831,024.10. Mr. Peters reported that through last Friday the S&P was up 8.2%. Mr. Peters stated that the key issues dominating the market fears were: 1) Trade war anxieties, 2) Aggressive Fed rate increases and 3) Indications of a weakening economy.

Richelle Hayes with American Realty Advisors addressed the Board and presented an overview of the company noting that it is 100% employee owned. The company has over 9.3 billion in assets and 539 institutional investors. For the quarter ending December 31, 2018 the Plan earned 1.94%

Attorney's Report Cont.

- Attorney Christiansen then asked the Board to authorize him to prepare an Addendum to the Foster & Foster contract to include fee increases that have occurred over the last several years.

Member Miller made a motion to authorize the Plan attorney to prepare an Addendum to the Foster & Foster contract to incorporate fee increases which have occurred over the last several years; Member Campbell seconded the motion, which passed unanimously.

Plan Administrator's Report

- Administrator Baumann presented the 1st Quarter FY 2018-2019 October – December 2018 Expenditure Report. This report is informational only and requires no action.
- Administrator Baumann notified the Board that a letter and copy of the Final FY 2017-2018 Expenditure Report was sent to the Department of Management Services.
- Administrator Baumann notified the Board that a letter and copy of the Final FY 2017-2018 Expenditure Report was sent to the city manager.
- Administrator Baumann notified the Board that a letter was sent to Keith Brinkman declaring an expected rate of return.
- Administrator Baumann notified the Board of her intention to retire/resign as the plan administrator stating that after working 48 years fulltime she is now downsizing her workload. Attorney Christiansen asked the Board to authorize him to prepare a Request for Proposal (RFP).

Member Campbell made a motion to authorize the Plan attorney to prepare an RFP for a new plan administrator and to send it out to all firms on his proposal list; Member Rinehart seconded the motion, which passed unanimously.

Chair Report, Other Board Members –

Member Rinehart inquired on the status of a study from Foster & Foster to change the benefit from the best 5 years of the last 10 years to the best 3 years of all years of service. Administrator Baumann will ask Foster & Foster for a status report on the study.

The next regular meeting will be Tuesday, May 14, 2019 at 4:00 p.m.

Adjournment - There was no further business and the meeting was adjourned at 5:25 p.m.

Respectfully Submitted:


Shelly Baumann, CMC
Plan Administrator

Approved:


Vincent Shepard
Chairman