

FIRE FIGHTERES' RETIREMENT SYSTEM

BOARD MEETING

July 29, 2015

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Chairman Wise called the meeting to order. Present were Trustee Jason Hersey; Trustee Steve Futch, Trustee Dr. Pete Gianas, Attorney Ron Cohen, Tyler Grumble, Bogdahn Group, David Kelly Bowen Hanes, Actuary Larry Wilson and Actuary Kelly Adams GR&S and Deputy Clerk/Assistant Board Administrator Brenda Wiggins. Trustee Sam Patel was absent.

Chairman Wise entertained a motion to approve the warrants for April, May, and June 2015.

Trustee Futch made the motion to approve the warrants, second by Trustee Gianas; passed 4-0.

David Kelly presented the Performance Report ending July 20, 2015.

Chairman Wise entertained a motion to accept the report.

Trustee Gianas made the motion, second by Trustee Futch; passed 4-0.

Tyler Grumble presented the quarterly report

Beginning the quarter \$3,151,834; contribution of \$33,017; distributions of \$21,520; net cash flow into the plan \$11,497. Management fees of \$3,712; expenses of \$4,580; income of 14,018 and capital loses of \$23,832.

Fiscal year to date \$2,963,792; contribution \$127,039; distributions out of \$64,654; net cash flow in of \$62,385; management fees of \$10,785; expenses of \$29,907; income of \$35,746; capital gains \$123,994; total return on investments \$159,400.

Chairman Wise entertained a motion to accept the report as presented.

Trustee Futch made the motion, second by Trustee Gianas; passed 4-0.

Attorney Cohen presented a memo regarding the mortality table and discussed the law for the requirements and it will be used for the reporting done year end September 2016.

Actuary Wilson added which will determine the city's contribution for fiscal year ending 2018, and there could be a cost related

Attorney Cohen reported the Division of Retirement gave some guidance of the changes to chapters 175 and 185. A budget of expenses will need to be done and provided to each member of the plan and posted on the website. There is no significant level of detail but it would be good to show what we do.

Actuary Wilson reported the form for the state report will be changing and it will fulfill their requirements for the details.

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Attorney Cohen reported an expense budget will be required yearly and it will have to be provided to the plan sponsor, and members of the plan before October 1, 2015.

Financial Advisor John Thiemann provided a draft of an expense budget for the boards approval.

After reviewing the draft the board made the following categories will be used for the expense budget. Administration; Travel & Education; Dues; Miscellaneous; Custodian Fees; Investment /Consultant;

The budget the figures for each of the board members and 1/3 cost for the administrator for travel, and add 25% to that.

Trustee Futch made the motion to do the budget with the expenses set as the actual plus 25% and the travel and education be done for all board members then add the 25%, second by Trustee Gianas; passed 4-0

Attorney Cohen proceeded there are changes to the chapter money laws. Each plan receiving chapter funds are required to have a defined contribution component. Your plan is a defined benefit plan and you already have the defined contribution component with the share plan.

The City and Plan members have to reach mutual consent regarding the Chapter funds. The mutual consent verbiage will be included in the Firefighters' Union contract with the city. Attorney Cohen will provide the verbiage for the contract negotiations.

If the mutual consent isn't met regarding this component there are default provisions.

The plan is required to have a minimum multiplier of 2.75% and we are over that.

Actuary Kelly Adams reported on the Compliance Report; this report is for reporting not for funding. There are four scenarios and three pieces of information.

- Regular evaluation
- Department of Management Services has come in with the mortality tables that have to be used.
- Using the new table and use an interest rate 2% lower than current.
- Using the interest rate 2% higher than currently using.

The last is the fourth scenario and it isn't required but will give a round of numbers.

Out of the four scenarios the three pieces of information will be shown is the GASB 67 & 68 the net pension liability number which is the difference between the asset and liability. The second item is fictitious numbers it would be if the city or anyone doesn't make any additional contributions to the plan how long you would have benefits for.

The third shows how these pieces of information would affect actuary report funding.

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In summary with the mortality table change the city's contribution would go up \$3,173; 0.81%. Changing the mortality table and interest rate decreased the 2% then contribution would go up \$106,151 and 27.23%. Changing the mortality table and increase the interest rate 2% the contribution would go down \$77,596; decrease of 19.91%.

She stated the important thing to remember is the plan is funded to never run out of money.

Attorney Cohen presented a draft of the compliance document for the website to help explain the report.

Trustee Futch made a motion to accept the compliance report as presented, second by Trustee Hersey; passed 4-0

Trustee Futch made the motion to accept the compliance statement for the website, second by Trustee Hersey; passed 4-0.

The next regular scheduled quarterly meeting will be Wednesday, October 28, 2015 at 10:30 AM

Motion to adjourn the meeting was made by Trustee Heresy, seconded by Trustee Futch; motion passed 3-0.

GARY WISE, CHAIRMAN

ATTEST:

RICKY THOMPSON, CITY CLERK/BOARD ADMINISTRATOR