

FIRE FIGHTERES' RETIREMENT SYSTEM
BOARD MEETING

April 27, 2016

Page 1 of 3

Chairman Wise called the meeting to order. Present were Trustee Greg Starling; Trustee Steve Futch, Trustee Sam Patel, Attorney Ron Cohen, Tyler Grumble, Bogdahn Group, Actuary Larry Wilson, Brian Bizzell and Mark Rhein from Salem Trust.

Trustee Gianas, Trustee Patel, Deputy Clerk Wiggins were absent.

Chairman Wise entertained a motion to approve the minutes for January 27, 2016.

Motion was made by Trustee Futch,

Attorney Futch requested the following corrections.

The forms allow for a contingent beneficiary if the beneficiary passes before the retiree but there is nothing on the form directing who receives the remaining payments if both the retiree and the beneficiary pass away before the 120 payments have been made.

Second by Trustee Patel; passed 4-0.

Chairman Wise entertained a motion to approve the warrants for January, February, and March 2016.

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

Tyler Grumble presented the quarterly report; the equity is over weighted at 75.2% and David will need to get that back in line. Fixed Income is at 16.9% and Cash 7.9% for the quarter.

The quarter started with \$3,079,006; contribution \$45,280; distributions out of \$18,062; management fees of \$3,748; expenses of \$3,578; income of \$10,502; capital gains \$20,122; Market Value \$3,129,515.

The fiscal year started with \$2,866,157; contribution \$104,480; distributions out of \$36,930; management fees of \$11,065; expenses of \$20,614; income of \$21,199; capital gains \$206,288; Market Value \$3,129,515.

Chairman Wise entertained a motion to accept the report as presented; Trustee Futch made the motion, second by Trustee Starling; passed 4-0.

Mark Rhein and Brian Bizzell from Salem Trust discussed the Globe Tax.

When Bowen Hanes invested American Depository Receipt (ADR), a company headquarters located overseas, when the dividends come into the pension plan the foreign entities collect tax before you see the dividends. This is an international tax which the boards can reclaim if you have the right service at hand. Globe Tax will keep track of the taxes collected and follow through with collecting the taxes. This is a third party who collects the taxes and there is a fee associated with it. It is 20% of the collections plus there is a fee for Salem Trust of 5% of the net amount collected.

Attorney Cohen read a statement from David Kelly from Bowen Hanes. He also ask if there was any concern with providing Globe Tax with the holdings?

A list of holding will be provided to Globe Tax, how they receive the information it's encrypted and no privacy issues related to it.

FIRE FIGHTERES' RETIREMENT SYSTEM
BOARD MEETING

April 27, 2016

Page 2 of 3

This can be cancelled at any time.

Trustee Futch made a motion to move forward with Globe Tax, second by Trustee Starling; passed 4-0.

Mr. Rhein announced that Brain Bizzell will be leaving Salem Trust to move to Texas with his family.

Attorney Cohen presented the amendment to the Bogdahn agreement which reflects the \$500 change with splitting the accounts apart at Salem Trust as discussed and approved at the last meeting. He requested a motion to authorize signatures for the agreement.

Trustee Futch made the motion to accept the amendment to the agreement, second by Trustee Starling; passed 4-0.

Attorney Cohen referenced the discussion about the election of beneficiaries from the last meeting; he has continued to research this and had contacted the state. The state holds the position that if the 10 years certain option is chosen and in the case that the retiree and the retiree's beneficiary passes away before the 120 payments the remaining payments will go back to the retiree's estate instead of going to the beneficiary's estate is what state told him over the phone. He does not see the bases in the statue about that.

He suggested that he still keep looking into this issue so new forms can be established.

Actuary Larry Wilson provided the 2015 Actuary Report.

he minimum payment is 57.4% of covered payroll (\$175,666). The figure in parentheses is the System cost expressed as an estimated dollar amount based on projected covered annual payroll for fiscal year beginning October 1, 2016 (\$305,811).

This total cost is to be met by member, City and State contributions. We anticipate member contributions will be 5.0% of covered payroll for fiscal year ending September 30, 2017 for full-time Firefighters

(\$12,557), 6.0% of covered payroll for fiscal year ending September 30, 2017 for volunteer Firefighters (\$3,281), member pick-up contributions will be 5.0% of covered full-time payroll for fiscal year ending September 30, 2017 (\$12,557).

Allowable State contributions will be \$30,248 (9.9% of covered payroll for fiscal year ending September 30, 2017) based upon our understanding of Mutual Consent. This leaves a base City requirement of 38.3% of covered total payroll for fiscal year ending September 30, 2017 (\$117,023). The City contribution includes an interest adjustment and must be increased if allowable 2017 State contributions are less than \$30,248.

Trustee Futch made the motion to accept the actuary report, second by Trustee Starling; passed 4-0.

FIRE FIGHTERES' RETIREMENT SYSTEM

BOARD MEETING

April 27, 2016

Page 3 of 3

The next regular scheduled quarterly meeting will be Wednesday, July 27, 2016
at 10:30 AM

Motion to adjourn the meeting was made by Trustee Futch, seconded by Trustee
Starling; motion passed 4-0.

GARY WISE, CHAIRMAN

ATTEST:

RICKY THOMPSON, CITY CLERK/BOARD ADMINISTRATOR