

**CITY OF BRENTWOOD POLICE AND FIRE FIGHTERS’  
PENSION FUND BOARD OF TRUSTEES MEETING MINUTES  
AUGUST 20, 2014**

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Fire Chief Jury called the Pension Board meeting to order at 8:37 a.m.

**ROLL CALL:**

Deputy Clerk Pittman proceeded with attendance.

Board Members Present: Mayor Kelly (enters the meeting at 8:45 a.m.), Police Chief Fitzgerald, Fire Chief Jury, Fire Fighter Niemeyer, Police Officer Retzlaff and Alderman Toohey.

Board Members Absent: Treasurer Reynders

Others Present: City Clerk/Administrator Bola Akande; Deputy City Clerk Octavia Pittman; Secretary Gina Jarvis; Legal Advisor Larry Sewell, Armstrong Teasdale; and Investment Consultant Patti Haffner (leaves the meeting at 9:25), Asset Consulting Group.

**CONSIDERATION AND APPROVAL OF MINUTES:**

**Pension Board Meeting May 16, 2014**

Deputy Clerk Pittman presented the minutes of the May 16, 2014 meeting for approval. Upon motion by Police Chief Fitzgerald and seconded by Fire Fighter Niemeyer the minutes of the May 16, 2014 Board meeting were unanimously approved.

**PENSION FUND REPORT – PRELIMINARY AS OF JUNE 30, 2014:**

Secretary Jarvis summarized the report as of June 30, 2014, copies of which were distributed to Board members. She noted that there had been a dip in the market value of the fund in July, 2014.

**NEW BUSINESS:**

**Investment Consultant’s Report**

Ms. Haffner presented the report as of June 30, 2014, copies of her report were distributed to Board members.

She said that the second quarter was strong but there was volatility, as the Federal Reserve maintained its low interest rate stance which bolstered US markets, European growth slowed due to the conflict in Ukraine, and turmoil in the Middle East continued to support a flight to quality. Of note during the quarter, the emerging markets rebounded from the weakness that they

experienced over the past 18 months, as valuations and growth prospects in these market spurred investor demand. For the second quarter, the Fund advanced 3.1%, to close at \$32.7 million. Over the past nine months that ACG has been calculating performance, the Fund is up 14.7% which is well ahead of the actuarial rate assumption. She further noted that the asset allocation for the Fund is well within the policy ranges established in the investment policy, thereby requiring no rebalancing at the present time. In the short time frame since inception of the new manager lineup, the managers are generally performing as expected, with particular strength in the fixed income and small cap value managers and more challenging results in the small cap growth and real estate managers. Over a full market cycle (five years or so), she expects the managers to meet objectives.

**LEGAL ADVISOR REPORT:**

Mr. Sewell advised that he had, as requested at the last Board meeting, revised the summary plan description to reflect those changes which has been made to the Ordinance when the Plan was last restated. During this process, he discovered the Ordinance did not specifically provide a survivor benefit for the spouse of a participant who retires on or after attaining age fifty-five with more than ten but less than twenty years of service. He presented to the Board a proposed amendment, a copy of which is attached to these Minutes, to the Ordinance making this change and also making conforming changes in the Ordinance to reflect this modification, such as in the survivor and death benefit provisions. The proposed amendment also contains a statement, required by the Internal Revenue Service in connection with the Internal Revenue Service submission of the Ordinance, to the effect that the Plan is government plan within the meaning of the Internal Revenue Code.

Upon a motion made by Police Officer Retzlaff and seconded by Fire Chief Jury, the following resolutions were unanimously approved:

RESOLVED that, the amendment to the Ordinance governing the City of Brentwood Police and Fire Fighters' Plan, as presented to the Board, is approved; and

FURTHER RESOLVED, that it recommended that the Board of Aldermen of the City of Brentwood adopt said amendment for and on behalf of the City of Brentwood.

Mr. Sewell said that he had revised the summary plan description for the Plan. He would like to review the provisions of that document with interested Board members to insure that the terms of the Plan conform to their understanding of the operative Plan terms. It was mutually agreed that interested Board members would meet with Mr. Sewell at 10:00 a.m. on August 29, 2014 to review the revised summary plan description.

Mr. Sewell also brought to the Board's attention the fact that there is no death benefit for a former participant who (i) has more than ten years of service, (ii) terminates employment with the City of Brentwood and (iii) dies before age fifty five. There was extensive discussion as to whether the Ordinance should be amended to provide a survivor benefit to such a former participant's spouse. Mr. Sewell was directed to ask Mr. Kowalczyk whether adding this benefit would increase the projected actuarial liability under the Ordinance. This possible change will

be considered at the next Board meeting. Mr. Sewell also mentioned that the Ordinance provides a non duty disability benefit for a participant who (i) has more than five but less than ten years of service, and (ii) becomes disabled while employed by the City of Brentwood. This disability benefit in this case is fifty percent of the benefit payable to a participant who becomes incurs a non duty disability after ten years of service. There is no survivor benefit paid to the spouse of such a participant as there is in the case of a participant who incurs a duty disability or who becomes disabled after ten years of service. The Board also decided to discuss this at the next Board meeting.

Mr. Sewell extensively reviewed the survivor and death benefit provisions under the Ordinance. This review took one hour and the Trustees present are to be credited with one hour of continuing Trustee education for this review.

**OTHER BUSINESS:**

There was no other business brought before the Trustees.

**ADJOURNMENT:**

Upon motion made by Police Officer Retzlaff, and seconded by Fire Chief Jury, the meeting adjourned at 10:15 a.m.

**Approved as submitted on the 12<sup>th</sup> day of November, 2014.**

Attest:

Gina Jarvis  
Gina Jarvis/Secretary