

**Spokane Firefighters' Pension Board
Meeting Minutes
February 24, 2016**

Board Members Present: Lori Kinnear, Terri Pfister, Clive Jones, Dan Brown

Absent: Ben Stuckart

Staff Present: Kristine Redmond, Christine Shisler, Phillip Tencick

Visitors Present: Jayson Davidson, Hyas Group; Dr. Vanderbosch;
Paul Belles, Moloney & O'Neill

The regular meeting of the Spokane Firefighters' Pension Board was called to order at 3:32 p.m. in the 4th Floor Conference Room of City Hall.

OPEN SESSION

2015 Investment Performance Report

Mr. Davidson presented the report for the year ending December 31, 2015 and discussed the relative performance for the Reams managed portfolio. While Reams' relative performance for the year and the fourth quarter lagged the benchmark slightly, the longer term performance for the manager has been ahead of benchmarks. The intermediate term fixed income market remains a challenging place to invest and the expectation should be for lower total returns in the short to intermediate term.

Hyas Group and the Board spent considerable time discussing a communication issued by Reams related to a recent downgrade for one of the securities in the portfolio. The manager has recommended holding the security and will do so unless the Board directs otherwise. The Investment Policy Statement currently provides for manager flexibility for securities that were purchased above investment grade (in compliance with policy), but have subsequently been downgraded, putting them below policy requirements. This issue may be revisited after a review and interpretation of current RCWs on the subject of holding below investment grade securities. No action was taken to direct any contrary action for Reams.

Money Market Fund

In light of the pending regulatory changes for money market fund options, the Board gave consideration to replacing the current money market option with one that invests solely in governmental securities. Mr. Davidson presented a money market fund manager search.

Dan Brown moved and Clive Jones seconded the motion to replace the Fidelity Money Market Portfolio with the Vanguard Treasury Money Market option (VUSXX).

Hyas Group will work with Retirement staff and the custodian to accommodate this change.

Investment Policy Guidelines

The Board engaged in the annual review of the Investment Policy Statement and minor changes were recommended by Hyas Group.

Clive Jones moved and Dan Brown seconded to approve Investment Policy Statement as presented. The motion passed unanimously.

There is a chance additional changes may be necessary if the Board decides to adjust policy around the holding of below investment grade securities or if the RCWs appear to require such changes.

Terri Pfister moved and Clive Jones seconded the motion to request the Board's attorney, Joe Fischnaller, opine on the RCWs relating to investments. The motion passed unanimously.

EXECUTIVE SESSION

The Board moved into Executive Session at approximately 4:23 p.m., with appropriate representatives and staff present, to discuss disability reports and submitted medical claims.

The Executive Session adjourned at 4:36 p.m., and the Board immediately reconvened into Open Session.

OPEN SESSION

Disability Report

Terri Pfister moved and Dan Brown seconded the motion to approve the December 18, 2015 to February 13, 2016 disability report. The motion passed unanimously.

Claims

Additional expenses over police limit \$1,270

Clive Jones moved and Dan Brown seconded the motion to approve the reimbursement of \$1,270. The motion passed unanimously.

Aged invoices \$199.75

Clive Jones moved and Dan Brown seconded the motion to approve the reimbursement of \$199.75 for the invoices older than 24 months. The motion passed unanimously.

Dental reimbursement \$1,019

Clive Jones moved and Dan Brown seconded the motion to approve, after Premera has made final payment, the remaining balance of the dental procedure. The motion passed unanimously.

Assisted living \$25 per hour

Dan Brown moved and Clive Jones seconded the motion to approve the reimbursement of up to 8 hours a day at the rate of \$25 per hour. The motion passed unanimously.

Assisted Living Expenses starting January 2016 \$2,075

Clive Jones moved and Dan Brown seconded the motion to approve the reimbursement of the \$2,075 invoice and preapproved no more than ten (10) 24-hour periods in a month. The motion passed unanimously.

Minutes

A typo was noted and corrected.

Clive Jones moved and Terri Pfister seconded the motion to approve the minutes of the January 7, 2016 meeting as amended. The motion passed unanimously.

Expenditure Summary Reports

Dan Brown moved and Clive Jones seconded the motion to approve the December 2015 and January 2016 expenditure summary reports. The motion passed unanimously.

Schedule of Investments Reports

The schedule of investments reports for December 2015 and January 2016 were in the packets for the Board's review.

Medical and Dental Claims and Experience Reports

Paul Belles presented the medical and dental claims and experience reports.

Death of a Pensioner

Edwin J. Watt, Fire Equipment Operator. Retired March 26, 1979; Died December 28, 2015 at age 81. Pension continues to Spouse. \$500 funeral benefit.

Other Board Business

Board Rules

The Firefighters' Pension Board Rules with the updates approved at the January 7, 2016 Board meeting were presented to the Board.

Clive Jones moved and Dan Brown seconded the motion to approve the Firefighters' Pension Board Rules as presented. The motion passed unanimously.

WSLEA Conference

Kristine Redmond informed the Board that the WSLEA Conference is being held May 10-13, 2016.

There being no other business, the meeting adjourned at 4:45 p.m.

Approved by the Spokane Firefighters' Pension Board on June 2, 2016.

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Christine Shisler,
Asst. Retirement Director

Terri Pfister,
Secretary and City Clerk