

# Eden Prairie Firefighter Relief Association

April 2018

April 26, 2018

## INVESTMENT COMMITTEE

The Eden Prairie Firefighter Relief Association (EPFRA) Board of Trustees met with our investment advisors from Wells Fargo for a performance and portfolio review of first quarter 2018 (Q1). Market value of investments as of March 31, 2018 was \$22,971,753.47. The rate of return in Q1 was -0.83 percent. The State Board of Investment (SBI) rate of return for Q1 was -0.82 percent. Wells Fargo reported strong returns in January followed by declines in February and March. Emerging markets had positive returns, growth equities outperformed value equities, and actively managed funds outperformed passive managed funds. Fixed income, REITs, and alternative investments had negative returns due, in part, to rising interest rates. Tariff sensitive stocks declined. The \$970,000 of State and City Aid received in January was invested as follows: \$250,000 to alternative investments, \$330,000 to REITs, \$300,000 to high yield investments, and \$90,000 held in cash for the January payroll distribution.

The portfolio asset allocation at the end of Q1 2018 was as follows:

Asset Class	Current Allocation %	Target Allocation %
Fixed Income	35	35
Equities	46	45
Real Assets	7	10
Alternatives	12	10

The portfolio strategy going forward assumes modest growth in equities with continued market volatility, ongoing monitoring of interest rate sensitive classes, and adding actively managed equity funds. In terms of market commentary, per Wells Fargo, long term interest rates remain stable despite short term increases, consumer confidence is high, and a market correction is likely.

## REGULAR MEETING

Trustees in attendance: Ron Case, Sue Kotchevar, George Esbensen, Glenn Toewe, Mike Luger, Tom Wilson, Collin O'Brien, Eric Hayes. Phil Skeie was also present.

The regular meeting of the EPFRA Board of Trustees was called to order by President Luger at 5:40 PM.

The meeting minutes from the March 22, 2018 were reviewed. A motion to approve the minutes was made by Ms. Kotchevar. Mr. Esbensen seconded the motion. The motion to accept the minutes was approved by unanimous voice vote.

### Officer's Reports:

President: No report

Vice President: Received a communication from Marquette Asset Management, who bid on our last RFP for investment advisors, asking how we were doing. Ensuing discussion included having Mr. Hayes thank them for their continued interest and, separately, that an RFP for the next three year window re investment advisors will be prepared in Spring of 2019.

Secretary: Sidekick project to digitize our records will resume after the annual audit is completed in approximately two weeks.

Treasurer:

Accounts:

Special Fund	\$96,278.80
General Fund	\$ 6,863.49

Accounts Payable / Special Fund

Pension Benefits for April \$91,089.34

ADP for payroll services \$ 274.91

Clifton, Allen, Larson for the audit \$ 950.00

Accounts Payable / General Fund

Flowers for Rogotzke and Svoboda \$ 195.00

Accounts Receivable / Special Fund

Wells Fargo 5/18 payroll \$91,500.00

Anchor Bank interest earned \$ 1.18

Accounts Payable / General Fund

City of Eden Prairie (FF Dues)	\$	312.29
First Western Bank	\$	500.00
Larry Landis (50 <sup>th</sup> Anniv. Paintings)	\$	165.00

2017 audit is still in progress and should be completed in the next two to three weeks, Application for retirement benefits will be sent to Doug Theis who is benefit eligible 6/1/18.

**Unfinished Business:**

Pension bill has passed in the Minnesota Senate and is awaiting action in the Minnesota House of Representatives. Mr. Luger presented the current plan of action where Mr. Luger, and possibly, other members of our board, lobby for house support of the pension bill with additional assistance from Rep. Loon.

Mr. Hayes presented on having the location of the EPFRA website updated to allow for receipt of donations online. Mr. Wilson recommended the EPFRA be separated from the Becoming a Firefighter subpage under the Fire Department on the City of Eden Prairie website and have its own heading. Plan is to follow up with the Communications Department regarding webpage updates and changes.

**New Business:**

A check for \$500.00 was received from the family of Fred Olofson, who recently passed away, and who was involved with the Minnesota Fire Engine Club.

Mr. Esbensen recommended that the Board begin a systematic review of the bylaws covering a section, or sections, at a time during subsequent Board meetings. This was received favorably by the Board.

A review of the duties of the President and Vice President was presented to the Board.

The meeting was adjourned without objection at 6:40 PM after a motion to adjourn was made by Ms. Kotchevar and seconded by Mr. Toewe.

The next meeting of the Board will be May 24, 2018 at 5:30 PM in the offices of the EPFRA.

Respectfully Submitted,

Tom Wilson  
Secretary, EPFRA Board of Trustees