

# Eden Prairie Firefighter Relief Association

Annual Meeting

June 14, 2018

The annual meeting of the Eden Prairie Firefighter Relief Association (EPFRA) was convened by President Luger at 7:25 PM after the roll call of the membership determined that at least 30 percent of the members needed to establish a quorum were present.

Our investment advisor from Wells Fargo provided a summary of 2017, year to date 2018, and predictions for the market for the balance of 2018. 2017 year end market value of investments was \$22,486,858, a return of 13.72 or nearly \$2.8 million from year end 2016. This was due to strong equity returns and appropriate management of risk (35 percent of the portfolio was invested in bonds). Modest returns are expected in 2018 because of expected rising interest rates negatively impacting bonds. Market volatility will continue because of geopolitics, federal reserve policy that will likely increase interest rates, and because we are in the later stages of an economic cycle. The year end price target of the S&P 500 is 2850 or 2.5 percent higher than its current level.

President Luger gave his President's Message. In 2017 two members began receiving monthly benefits. Anne Marchand-Tauer retired with 10 years of service and Ward Parker retired with 14 years of service. President Luger reported the passage of pension legislation in May 2018 affecting the EPFRA. One change allows benefit eligible active members who have reached the age of 50 or older to take their lump sum pension benefit and remain on the fire department (after a brief but mandatory leave of absence). After a new three year vesting period following a return to service the member would be eligible for a new lump sum benefit equal to their additional years of service. The other benefit change increased the maximum lump sum benefit to \$15,000 from \$10,000 for each year of service. The EPFRA Board of Trustees has begun the work necessary to increase our lump sum benefit. An actuarial will determine what that number will be for the EPFRA. The Board's goal is to make the lump sum benefit equivalent in value to the monthly benefit which provides for surviving spouse and/or children's benefits. President Luger laid out the plan to increase the lump sum benefit. The steps that need to be taken include a new actuarial, an approved motion by the Board to increase the benefit, approval of the bylaw change by the membership of the EPFRA at a special meeting, and City Council approval of the bylaw change. The goal is to complete the process by the end of August 2018. President Luger asked the active members present to complete the survey (Survey Monkey) to provide additional information for the upcoming actuarial and to provide information to the Board that would assist the Board in their attempt to achieve parity in the values of the lump sum and monthly benefits. Glenn Toewe addressed how to obtain monthly pay statements online. President Luger thanked Mr. Toewe for his 18 years of service to the EPFRA as a trustee (and 15 years as Treasurer). The membership thanked Mr. Luger for his years of service and acknowledged his efforts in the passage of the aforementioned legislation.

President Luger asked for nomination to fill two open seats on the Board, serving three year terms, currently held by Mr. Toewe and President Luger. Michael Stein nominated Travis Dahlke, Katie Russell seconded his nomination. Aaron Casper nominated Douglas Hayden, Kurt Buchanon seconded his nomination. Both nominees were elected to the Board by unanimous voice vote.

There being no further business a motion to adjourn was made by Deanna Bassett and seconded by Rik Berkbigler. President Luger adjourned the meeting at 7:45 PM.

Respectfully submitted,

Tom Wilson, Secretary