

# Eden Prairie Firefighter Relief Association

Regular Board of Trustees Meeting

October 25, 2018

## INVESTMENT COMMITTEE

The Board met with our investment advisors from Wells Fargo. Wells Fargo presented a brief investment history from October 2007 to the present and then a review of the four goals as stated in the Eden Prairie Firefighter Relief Association (EPFRA) Investment Policy Statement (IPS). They diversified our portfolio to reduce risk and provide downside protection. Over the last several years there has been no real benefit from diversification but overall return on investment has exceeded the IPS goal of six percent and exceeded the portfolio benchmark averages. They have underperformed relative to the State Board of Investment Index (SBI) benchmark, which is based on the SBI Balanced Fund (a 60/40 equities/fixed income allocation), that does not exactly match our current allocation.

Wells Fargo reports that the EPFRA portfolio trailed the SBI benchmark in the last quarter ending September 30, 2018, 2.44% vs. 4.27%. This was, in part, due to underperformance of non-US equities vs. US equities (the SBI Balanced Fund equity portion is 100% domestic stocks) and REITs (rising interest rates). US large and mid cap equities rallied during the third quarter with growth equities outperforming value equities. International markets trailed domestic markets due to tariffs and economic slowing internationally. REITs declined in response to rising interest rates. Wells Fargo plans to sell off REITs and add to US large caps. Wells Fargo is recommending being overweight in emerging market equities as they are a bargain at present and maintaining a diversification strategy. They expect continued positive returns for US equities and increased volatility.

The total value of assets in the EPFRA portfolio as of September 30, 2018 was \$23,204,451.

## REGULAR MEETING

In attendance: Travis Dahlke, Doug Hayden, Eric Hayes, George Esbensen, Sue Kotchevar, Collin O'Brien, Ron Case, Tom Wilson. Excused: Travis Jacobs. Also present were Glenn Toewe, Mike Luger, and Aaron Casper.

The EPFRA Board of Trustees meeting was called to order by President Hayes at 5:45PM. The minutes from the September 27, 2018 meeting were reviewed and approved by unanimous voice vote after a motion for approval was made by Mr. Hayden with a second by Mr. Case.

## Officer's Reports

President: Received a request from the family of Frederick Olofson regarding our status as a charitable organization. A letter will be sent to the family in regard to this by our Treasurer. The fire department can no longer provide birthday cards to firefighters. The Board indicated to Mr. Hayes that the EPFRA does not wish to take on this task.

Vice President: No report.

Secretary: The form to indicate that the EPFRA has adopted the general records retention schedule has been sent to the Minnesota Historical Society. The information required by the Office of the State Auditor (OSA) following our bylaw changes is being compiled. All that is needed is the minutes from the September 6, 2018 Special Meeting of the membership. Jay O'Connell, 21 years off service, and Mike Luger, 15 years of service, have requested applications for benefits.

Treasurer:

### Account Balances

Special Account	\$94,614.87
General Account	\$ 9,202.87

Accounts Payable  
Special Account

Pension Benefits (October 2018)	\$94,000.00
ADP (October payroll processing)	\$ 283.98

Accounts Receivable  
Special Account

Wells Fargo (October pension benefits)	\$94,000.00
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General Account

City of Eden Prairie (FF Dues)	\$ 307.28
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Mr. O'Brien requested reimbursement for the food provided at Special Meeting of the EPFRA on September 6, 2018 of \$373.35. A motion was made by Mr. Hayes to reimburse Mr. O'Brien the full amount from the General Account. Mr. Wilson seconded the motion. The motion was approved by unanimous voice vote.

**Unfinished Business**

The EPFRA bylaw changes approved in September are effective as of September 18, 2018. President Hayes will send out a letter of confirmation to the membership. Copies of the new bylaws have been sent to the retired and deferred members, placed in all of the fire stations, and will be posted on the city website.

The update to the EPFRA site on the City of Eden Prairie website to allow for online charitable giving is in process. Mr. Hayes reported that the City Manager has agreed to this. Mr. Hayden has been assigned the task of finding a platform that will make this possible.

Mr. Wilson reported on the October 16, 2018 OSA Minnesota Volunteer Fire Relief Association Working Group meeting. The item of interest to the EPFRA is that the OSA plans to ask for an increase in the threshold for additional investment reporting from \$25 Million to \$50 Million to maintain current reporting status for relief associations. The Sidekick project is still in process.

**New Business**

There was no new business.

A motion to adjourn was made by Mr. Dahlke. Mr. O'Brien seconded the motion. The motion was approved by unanimous voice vote. The meeting was adjourned at 6:25PM. The next meeting of the Board is scheduled for November 15, 2018 at 5:30PM in the office of the EPFRA.

Respectfully Submitted,

Tom Wilson  
Secretary, EPFRA Board of Trustees.



