

Eden Prairie Firefighter Relief Association

Board of Trustees Meeting

January 24, 2019

Investment Committee

The Board of the Eden Prairie Relief Association (EPFRA) met with its investment advisors from Wells Fargo. Total assets under management as of December 31, 2018 was \$20,867,352. Asset allocation as of December 31, 2019 were 51% equities, 37% fixed income, 10% alternatives, and 2% cash. The plan is overweight in equities which has aided performance recently. Total portfolio performance net of fees in 2018 (1/1/18-12/31/18) was minus 5.56% compared to the State Board of Investment benchmark (SBI) of minus 2.78%. Wells Fargo out performed the SBI in the fourth quarter.

US equities were hit hard in the fourth quarter of 2018. It appeared there was a market correction in the quarter. It does not appear to be the beginning of a prolonged downturn. During the quarter REITs were sold off and invested in a US large cap index. Wells Fargo does not expect a recession in 2019.

Regular Meeting of the Board of Trustees

In Attendance: Kevin Schmieg (Ex-Officio Acting Fire Chief), Sue Kotchevar (Ex-Officio), Tom Wilson, Travis Dahlke, Collin O'Brien.

Collin O'Brien called the meeting of the EPFRA Board of Trustees to order at 6:00 PM.

The minutes of the December 20, 2018 Board of Trustees meeting were reviewed and approved by unanimous voice vote after a motion to approve the minutes was made by Ms. Kotchevar and seconded by Mr. Schmieg.

Officers Reports

President: No report

Vice President: No report

Secretary: The 2019 Board of Trustees Meeting Calendar has been posted on the City of Eden Prairie website.

Sidekick will be contacted and updated as to progress towards digitalising Relief Association records.

Treasurer: 2018 audit in progress. Two lump sum pension payments will be made soon. Report as follows:

Account Balances

Special Account \$636,463.69

General Account \$ 9,400.68

Accounts Payable

Special Account

Pension Benefits \$ 93,329.34

ADP \$ 285.89 payroll

General Account

n/a

Accounts Receivable

Special Account

Wells Fargo \$ 94,000.00

General Account

City of Eden Prairie \$ 300.60 FF Dues

Unfinished Business

Travis Dahlke reported that the City Manager has okayed setting up an online donation “button” for the Relief Association on the City of Eden Prairie website. A Paypal account will be set up to receive donations. Mr. Wilson brought up having the Relief Association be moved from being a subheading under Becoming a Firefighter to being listed directly under the Fire Department on the website.

Lump sum pension benefits to three firefighters were approved by the Board. Scott Johnson will be paid \$373,000 for 30 years of service (motion to approve payment was made by Mr. Schmeig, seconded by Mr. Dahlke, and then approved by unanimous voice vote) and Jeff Eggert will be paid \$162,200 for 13 years of service (motion to approve payment was made by Tom Wilson, seconded by Ms. Kotchevar, and then approved by unanimous voice vote). Both firefighters plan to return to service after the required 60 day break in service as outlined in the bylaws. Mike Luger’s lump sum pension payment of \$187,000 for 15 years of service was also approved by the Board (motion to approve payment was made by Ms. Kotchevar, seconded by Mr. Dahlke, and approved by unanimous voice vote). All lump sum payments include the \$1,000 (10% of the retirement benefit not to exceed \$1,000) supplemental benefit provided by the State of Minnesota to lump sum recipients. Theresa Spande will receive a survivor’s benefit starting February 1, 2019.

New Business

Ms. Kotchevar reports Councilperson Kathy Nelson will replace Mr. Case, who is now Mayor, as one of the ex-officio members.

Mr. Wilson brought up a potential discrepancy in the newly approved bylaws. The years of service benefit has been increased from \$10,000 to \$12,400 but the death benefit for 0 to 1 year of service as outlined in Article XI section 1 is still \$10,000. This matter will be brought up again at the next Board meeting.

There being no additional business a request for a motion to adjourn was made by Mr. O’Brien. Ms. Kotchevar made a motion to adjourn. Mr. Schmeig seconded the motion. The motion was approved by unanimous voice vote and the meeting was adjourned at 6:20 PM. The next regular meeting of the EPFRA Board of Trustees is scheduled for February 28, 2019 at 5:30 PM in the office of the EPFRA.

Respectfully Submitted,

Tom Wilson, Secretary
EPFRA Board of Trustees