

Eden Prairie Firefighter Relief Association

Regular Board Meeting

January 21, 2020

Investment Committee

The Eden Prairie Relief Association (EPFRA) Board of Trustees met with our investment advisors from Wells Fargo. Year ending 12/31/2019 total account value was \$22,857,960. On 1/1/2020 total account value was \$20,920,259. Return on investment (ROI) for 2019 was 18.83 percent (net of fees). Portfolio benchmarks average for 2019 was 16.94 percent and the State Board of Investment ROI for 2019 was 21.55 percent. Pension withdrawals were over \$1.8 million in 2019.

Current asset allocation is 51% equities (45% per Investment Policy Statement or IPS), 37% fixed income (35% per IPS), 10% alternatives (10% per IPS), 2% real assets (10% per IPS), 1% cash. Slightly overweight in equities and underweight in real assets. All asset classes performed well in 2019, especially equities. Portfolio will maintain a full or overweight allocation in 2020 despite the possibility of greater market volatility. Returns are expected to be more modest in 2020. Despite the possibility of a global economic slowdown, a recession is not expected in 2020. Cash management and ethical investing, including divestiture of oil stocks, was discussed. There are sustainable and socially conscious large cap mutual funds available if that was something the Board wanted to pursue this. Cash holdings have been increased to provide six months of pension payments. The Board was advised that cash has been increased now to avoid the possibility of having to sell to raise cash in a down market.

Concerns regarding overall fees paid to Wells Fargo were raised. Wells Fargo will provide fee information to the Board regarding separately managed accounts (SMA) fees, in addition to fund fees and advisor fees.

Regular Meeting

In Attendance: Tom Wilson, Cole Hytjan, Deanna Bassett, Doug Hayden, Kathy Nelson, Scott Gerber, Sue Kotchevar, Collin O'Brien.

President O'Brien called the meeting to order at 6:00 PM.

The minutes of the December 19, 2019 EPFRA regular Board of Trustees meeting were reviewed. A motion to approve the minutes was made by Mr. Hayden. Ms. Bassett seconded the motion. The motion was approved by unanimous voice vote.

Officer's Reports:

President: No report

Vice President: No report

Secretary: Office of the State Auditor Fire Relief Association Working Group met for the last time today before the Start of the 2020 legislative session. Draft legislation recommendations to the Legislative Commission on Pensions and Retirement include a lifetime cap on supplemental benefits at \$1,000 for lump sum retirement benefits and \$2,000 for survivor benefits; and shortening the waiting period for Fire Chief Service Credit Certification from 60 days to 21 days. There were other changes and recommendations that do not directly affect the EPFRA. Membership updates were provided.

Treasurer's Report:

Account Balances

Special Account	\$98,388.25
General Account	\$10,366.64

Accounts Payable / Special Account

Pension Benefits	\$95,169.34
ADP	\$ 298.58

Accounts Payable / General Account

Bachmans (Flowers)	\$123.62
Deanna Bassett (Trustees pay)	\$300.00
Doug Hayden (Trustees pay)	\$550.00
Travis Dahlke (Trustees pay Jan.-June)	\$350.00
Sue Kotchevar (trustees pay)	\$550.00

Accounts Receivable / Special Account

Wells Fargo (Pension benefits)	\$95,600.00
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Accounts Payable / General Account

City of Eden Prairie (FF dues)	\$138.61
City of Eden Prairie (FF dues)	\$136.94

Miscellaneous

Beverly Sutton, who was receiving a survivor benefit, passed away on 1/14/2020. Phil Skeie, 11 years of service, has requested a monthly retirement benefit to start of April 1, 2020. Mark Salo, 10 years of service, is benefit eligible in February 2020.

Unfinished Business:

There was a brief discussion of the IPS and the need to review and update the IPS. This will be an ongoing project of the Board.

New Business:

Discussed the content of the presentation to the active members of the EPFRA at the Eden Prairie Fire Department Business Meeting in February. Ms. Bassett and Mr. Hytjan will present the process to obtain benefits from the EPFRA.

The next regular meeting of the EPFRA Board of Trustees will be held on February 27, 2020 at 5:30 PM in the offices of the EPFRA.

A motion to adjourn was made by Chief Gerber. Mr. Wilson seconded the motion. The meeting was adjourned at 6:30 PM.

Respectfully Submitted,

Tom Wilson, Secretary
EPFRA Board of Trustees