

Eden Prairie Firefighter Relief Association

Regular Board of Trustees Meeting

April 28, 2022

Investment Committee:

Wells Fargo (WF), the Eden Prairie Firefighter Relief Association (EPFRA) investment advisor, presented 2022 first quarter results to the Board. Total assets as of March 31, 2022 were \$24,828,978 for a total return of -6.07%.

All asset classes had negative returns for the quarter. Equities declined the most, especially US small caps and emerging markets. Growth stocks fared worse than value stocks. US large caps outperformed all other equities. Fixed income returns were negatively impacted by rising interest rates.

Adjustments to the portfolio by reducing emerging market equities and increasing US large cap holdings. \$550,000 cash contribution was invested in an ultra-short bond fund to replenish liquidity.

Alternative investments (AI) had negative returns and high fees. Recommendation was to eliminate AI from our portfolio. WF recommended private commercial real estate as an inflation hedge.

Going forward neutral allocation to equities and fixed income will be maintained. Overweight position in US Large and mid-cap equities and underweight position in non-US equities going forward. Liquidity for the monthly and lump sum pension disbursements will be maintained in a volatile market. War in Ukraine, global pandemic affecting the supply chain, inflationary issues and the Fed actions in raising interest rates to try to rein in inflation are impacting the markets, and will continue to do so going forward.

Regular Meeting:

In attendance: Collin O'Brien, Tammy Wilson, Tom Wilson, Kathy Nelson, Travis Dahlke, Cole Hytjan, Brian Sykes.

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

The March 24, 2022 EPFRA Board of Trustees meeting was not held due to a lack of a quorum. The minutes of the February 24, 2022 EPFRA Board of Trustees meeting were reviewed. A motion to approve the minutes was made by Mr. Sykes. Mr. Hytjan seconded the motion. The motion to accept the minutes was approved by unanimous consent.

Officer's Reports:

President: Met with our Senate and House representatives to discuss how current legislative pension issues might impact the EPFRA.

Vice President: No report

Secretary: The recommendations made by the Office of the State Auditors (OSA) Relief Association Working Group

were approved by the Legislative Commission on Pensions and Retirement and added to this year's Omnibus Pension Bill.

Treasurer:

Patrick Maynard has elected a lump sum payment. A motion was made by Mr. Wilson to approve a lump sum payment of \$211,800.00 for 17 years of service to Mr. Maynard by Mr. Wilson. Mr. O'Brien seconded the motion. The motion was approved by unanimous consent.

The 2021 Audit is almost complete, the auditors have received the completed actuarial report.

A motion was made by Mr. Wilson to pay the invoice received from Bergan KDV of \$1700.00 for completion of the 2021 IRS form 990. Mr. O'Brien seconded the motion. The motion was approved by unanimous consent.

Treasurer's Report:
Account Balances

Special Account	\$109,750.25
General Account	\$109,286.03

Accounts Payable / Special Account

March pension benefits	\$ 92,169.34
ADP payroll (March)	\$ 308.26
April pension benefits	\$ 96,173.34
ADP payroll (April)	\$ 310.30

Accounts Payable / General Account

City of Eden Prairie	\$ 60.00
Splatball (firefighter engagement)	\$ 199.90
Pizza Luce (firefighter engagement)	\$ 166.87

Accounts Receivable / Special Account

Wells Fargo (March)	\$ 95,600.00
Wells Fargo (April)	\$ 95,600.00

Accounts Receivable / General Account

City of Eden Prairie (March FF Dues)	\$ 307.28
City of Eden Prairie (February FF dues)	\$ 305.61

Unfinished Business:

Actuarial completed for the period ending 12/31/2021 and sent to our auditor to complete their audit for 2021.

New Business:

The Board discussed Wells Fargo's first quarter report. The Board reviewed the Investment Policy Statement (IPS) in the light of the report and recommendations made to the EPFRA Investment Committee.

The current IPS statement allocations are as follows:

ASSET CLASS	Lower limit	Target Allocation	Upper limit
Fixed Income	25%	35%	45%
Equities	35%	45%	55%
Real Assets	0%	10%	20%
Alternative Investments	0%	10%	20%

After reviewing the current IPS the Board elected to make changes to the allocation model.

The Board approved reallocating the 10% in AI to equities and allow for private real estate investments that allow at least quarterly liquidation on a motion made by Mr. Sykes and seconded by Mr. Hytjan. The motion was approved by unanimous consent. The IPS was updated and the new allocation model will be 2e as follows:

ASSET CLASS	Lower limit	Target Allocation	Upper Limit
Fixed Income	25%	35%	45%
Equities	45%	55%	65%
Real Assets	0%	10%	20%
Alternative Investments	0%	0%	0%

The next regular meeting of the EPFRA Board of Trustees will be on May 26, 2022 at 5:30 PM at EPFD Station One.

There being no further business, a motion to adjourn the meeting was made by Ms. Nelson. Ms. Wilson seconded the motion. The meeting was adjourned by unanimous consent at 6:40 PM.

Respectfully submitted,

Tom Wilson, Secretary
EPFRA Board of Trustees