

Minutes
Employee's Retirement System Board of Trustees
February 8, 2017
Quarterly Meeting

Call to Order: Chair Angeline Lavin called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Cathy Bianchi
Donn Hill
James Larson
Angeline Lavin
Amy Richardson
Lon Tiggelaar

Board Members Absent: None

Staff Members Present: Tracy Turbak, Director of Finance
Thomas Huber, Assistant Director of Finance
Bill O'Toole, Director of Human Resources
David Pfeifle, City Attorney
Angie Uthe, Compensation & Benefits Manager
Kathy Pottebaum, Payroll/Benefits Specialist

Others present: Firefighters' Pension Fund Board of Trustees members: Randy Farland, Matt McAreavey & Mark Sivertson
Howard Pohl & Peter Brown, AndCo Consulting

The Employee's Retirement System Board of Trustees and the Firefighter's Pension Fund Board of Trustees met in joint session.

A motion was made by Hill, seconded by Richardson, to approve the November 29, 2016 meeting minutes. Motion carried unanimously.

Joseph Docter and Steven Sorenson from Summit Creek Advisors, LLC provided a review of the market and portfolio.

Howard Pohl and Peter Brown presented the Board with the 2016 fourth quarter performance report. The performance in the quarter of 1.5% ranked in the top quartile versus all plans within the AndCo Consulting plan universe, but below the policy benchmark. The annual 8.7% return was top quartile, but below the policy bogey, while the five year 10.1% ranked in the top decile and beat the policy. The market value of the Fund increased from \$404.0 million to \$409.5 million in the quarter.

Howard Pohl also reviewed the Investment Allocations and Manager Structure and there were no recommended changes or actions.

Trustee Hill exited the meeting at 10:15 a.m.

Tom Huber updated the Board on the 115 Trust stating that the ordinance changes were approved by the City Council and the trust documents are under review by the IRS, with no anticipated issues.

A motion was made by Tiggelaar, seconded by Larson, to nominate Angeline Lavin as Board Chairperson. Motion carried unanimously.

A motion was made by Tiggelaar, seconded by Lavin to nominate Jim Larson as Board Chairperson Pro Tem.

A motion was made by Bianchi, seconded by Larson to nominate Lon Tiggelaar as Board Chairperson Pro Tem.

The board briefly discussed the two nominations. Tiggelaar shared a preference for having an employee representative in the role. Hearing no further nominations or discussion, the board addressed each motion separately starting with the first motion for Jim Larson to serve as Pro Tem. **The Larson motion was approved 3-2. The Tiggelaar motion failed 2-3.**

The board addressed the current trustee vacancy created by the resignation of Adam Schwab. The current trustee vacancy is appointed by the board. The board reviewed and discussed the application of Matthew R. Adamson, CFA and Portfolio Manager at First National Bank in Sioux Falls.

A motion was made by Larson, seconded by Bianchi, to elect Matt Adamson as Trustee with the Employee's Retirement System Board of Trustees. Motion carried unanimously.

A motion was made by Tiggelaar, seconded by Richardson, to adjourn the meeting. Motion passed unanimously.

The Board adjourned at 10:30 a.m.

Respectfully submitted,

Angie Uthe
Recording Officer