

Missouri Sheriffs' Retirement System

Board of Directors' First Quarterly Meeting

**1739 Elm Court, Suite 202
Jefferson City Missouri**

February 5, 2021

Present were Chairman Kenny Jones and Member Jim Arnott. Members Kevin Bond, J. Kent Oberkrom, Dwight Diehl, Staff Mary Call and Central Bank Representative David Roehl were present via conference call. Also present were Sheriffs' Retirement System Executive Director Jeff Padgett and Staff Diane Stieffermann; Representatives from Central Bank, David Meyer and Joanne Scheperle.

The meeting was called to order at 10:00 a.m. by Chairman Kenny Jones.

Opening Remarks:

Chairman Kenny Jones made the opening remarks.

Approval of Board Member Kevin Bond

Pursuant to Section 57.958.10 RSMo, a motion to approve Kevin Bond to continue on the Board as an active member was made by Member Kent Oberkrom and seconded by Member Jim Arnott. The motion was approved by all members.

Board Member Officer Election

Member Jim Arnott made a motion to elect Member Kent Oberkrom as Chairman of the Board. The motion was seconded by Member Dwight Diehl and approved by all members present.

Member Kent Oberkrom made a motion to elect Member Jim Arnott as Vice Chairman of the Board. The motion was seconded by Member Dwight Diehl and approved by all members present.

Minutes:

Member Dwight Diehl moved and Member Kent Oberkrom seconded a motion to approve the minutes of the December 4, 2020 Board Meeting. The motion was approved by all members.

Investment Report – Central Bank:

Joanne Scheperle, Representative of Central Bank, handed out copies of the investment portfolio review report and presented the information. A copy of the Investment Report is filed with these minutes. Member Jim Arnott moved and Member Dwight Diehl seconded a motion to accept the Investment Report. The motion was approved by all members.

Report on System Operations:

Deposits - Executive Director Jeff Padgett presented a report (copy is filed with these minutes) showing total contributions as of December 31, 2020 in the amount of \$1,651,336.43 which is down \$483,300.61 from last year.

Financials – System remains in excellent financial condition. Expenses are consistent with expectations.

Budget Status – Budget expectations met for CY2020.

Account Balances – Executive Director Jeff Padgett presented the Board with a draft of the Comparative Income Statement Report as of December 31, 2020 (copy of report attached) showing total assets as \$51 million. Jeff Padgett indicated total income as of December 31, 2020 was \$9.5 million; total operating expenses were \$3.7 million with a total net increase of \$5.8 million.

Member Dwight Diehl moved and Member Kent Oberkrom seconded a motion to approve the System Operations Report. The motion was approved by all members.

2021 CPI Increase for Retirees, Survivors and Administrative Staff:

The cost of living documentation from the U.S. Department of Labor was provided to each Board member. A copy of this documentation is filed with these minutes.

Member Dwight Diehl moved and Member Jim Arnott seconded a motion to approve the 1.4% cost of living increase for all retirees, survivors and administrative staff effective March 1, 2021. The motion was approved by all members.

Consideration of Personnel Salary Approval(s):

Motion to go into Closed Session:

Member Jim Arnott moved that the Board enter closed session to discuss personnel pursuant to the Missouri Sunshine Law, Section 610,021 Subsection 3, RSMo. Member Kevin Bond seconded the motion. Roll call was taken.

Salary Schedules for the Administrative Staff were provided to the Board and copies are filed with these minutes. A motion was made by Member Jim Arnott and seconded by Member Kent Oberkrom to move the Executive Director to step 5, the Assistant Executive Director to step 3, and the Administrative Assistant to step 3. The motions were approved by all members for these step increases to be effective March 1, 2021.

Member Jim Arnott moved and Member Kent Oberkrom seconded to go out of Closed Session.

Litigation Update:

Executive Director Jeff Padgett provided the Board with the status on the Supreme Court's Fowler and Keller vs. Missouri Sheriffs' Retirement System ruling.

Proposed By-Law Changes:

Executive Director Jeff Padgett provided a draft of the By-Laws to the Board and discussed the proposed change for Article III Section 4 to allow no more than one quarterly Board Meeting per calendar year to be held electronically. Jeff Padgett proposed to amend this section to state "***unless approved by the Board of Directors due to exigent circumstances. Also, in exigent circumstances, a vote on a single issue may be taken by a telephone poll or by email. In each case, a minimum of three Directors must vote and the vote must be affirmed at the next quarterly meeting.***"

Executive Director Jeff Padgett proposed to amend Article XII to include "*Proposed amendments and meeting date and time must be given at least ten days prior in writing delivered personal, mailed or 'emailed' to each Director.*"

Member Jim Arnott moved and Member Dwight Diehl seconded the motion to accept these proposed changes and to amend the by-laws as discussed.

Other Business:

Bid Process Plans - Executive Director Jeff Padgett discussed bid process plans for audit and legal services. Board members requested a copy of current vendors and asked to involve active sheriffs with this process as well as possibly posting this information to the website.

Member Jim Arnott asked if it was possible for the board to grant additional percentage increases to the retirees in future years based on some component of the CPI (capped at 5%). Since the system is governed under RSMO 57.949-57-997, Executive Director Jeff Padgett will consult the System's attorney for interpretation of the annual increase in benefits for retirees.

Executive Director Jeff Padgett recommended providing packets of agenda documentation for future Board meetings instead of updating the Board books for each meeting. The board books will still provide historical information. All members agreed the packets would suffice.

Next Board Meeting: The date for the next Board Meeting will be June 4, 2021 at 10:00 a.m. at the Sheriffs' Retirement System office in Jefferson City, MO.

Adjournment:

Member Dwight Diehl moved and Member Kevin Bond seconded a motion to adjourn the meeting. The motion was approved by all members. The meeting adjourned.