

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
JANUARY 30, 2014 at 8:30 A.M.

A combined meeting of the Ladue Uniformed Pension and the Non-Uniform Pension Plan committees of the City of Ladue was convened at the Ladue Police Department's second floor conference room at 8:30 a.m. on January 30, 2014. The following members were present:

Firemen's and Policemen's Pension
Fund Board of Trustees

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman
Mr. Bill Francis
Fire Chief John Bailot
Fire Capt. Keith Terry
Police Chief Rich Wooten

Retirement Committee Non-Uniformed
Employees Retirement Fund

Mayor Nancy Spewak
Mr. Wesley Jones, Chairman
Mr. Joseph Rechter
Ms. Shelly Benson, Secretary
Mr. Ivan White, Vice-Chairman

Absent: Sgt. Greg Stork

Also present: Michael Wooldridge, Assistant to the Mayor / City Clerk; Rick Jett, Finance Director; and Commerce Trust representatives: David Hagee, Greg Czerny, and Bill Reisner.

Chief Bailot moved to approve and adopt the agenda. The motion was seconded by Chief Wooten, and the motion was unanimously approved.

Ms. Benson moved to approve and adopt the minutes as amended. The motion was seconded by Chief Wooten, and the motion was unanimously approved.

Dr. Jonathon Dehner was present as a member of the public, however offered no comments.

Mr. Hagee presented the Portfolios' status and investment results for the fourth quarter 2013. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

Uniform Plan

Asset Allocation: 2.45% Cash Equivalents (which is up due to capital gain payouts), 69.85% Equity Investments, 21.11% Fixed Income Investments, and 6.6% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue -5.9% vs. Benchmark 5.81%; Last 12 Months – Ladue 15.92% vs. Benchmark 17.56%; Report Period (1/1/98-9/30/13) Ladue 4.8% vs. Benchmark 6.35%.

Non-Uniform Plan

Asset Allocation: 2.34% Cash Equivalents (which is up due to capital gain payouts), 68.90% Equity Investments, 21.43% Fixed Income Investments, and 7.32% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 5.79% vs. Benchmark 5.81%; Last 12 Months – Ladue 15.73% vs. Benchmark 17.56%; Report Period (1/1/98-9/30/13) Ladue 4.93% vs. Benchmark 6.35%.

Uniform and Non-Uniform Plan

Mr. Hagee reviewed the City of Ladue's Consolidated Portfolio Attribution. He stated the total relative performance versus the benchmark resulted in a .04% out-performance, which was due to several items: Large-cap stocks outperformed, Mid-cap stocks detracted from total equity performance, Small-cap stock produced a lower relative return, International equity and Alternatives underperformed, and Fixed income outperformed.

Mr. Czerny explained the Manager Research and Due Diligence Process. He stated this is a several step process beginning with the objective to select world-class managers to add value to our portfolio and build a multi-layered research program with deep analysis that can distinguish between luck and skill. He explained the research teams should consist of quantitative and qualitative analysts with extensive investment backgrounds, which are chosen only after a thorough process which involves utilizing 11 model factors, a style and perspective analysis, as well as onsite visits, interviews, review of published materials, investment team credentials, backgrounds, resources, consistency, discipline, and risk controls; the focus being on the repeatability of past performance. He emphasized the importance of continual monitoring with periodic team reviews. Mr. Czerny then reviewed the Morgan Stanley Mid Cap Growth Fund and the T. Rowe Price New Horizons Fund.

Mr. Jett reviewed both the Non-Uniform and Uniform Pension financial statements with the committee. He noted the plan assets at 12/31/13 were \$4,207,065.10 for the Non-Uniform plan and \$27,602,345.54 for the Uniform plan; totaling \$31,809,410.64. He also reviewed the plan census: Non-Uniform Plan– Current Employees-26, Retirees Receiving Pensions-17, and Vested Terminations Eligible in the Future-5; Uniform Plan- Current Employees-59, Retirees Receiving Pension-59, and Vested Terminations Eligible in the Future-4.

Mr. Jett then distributed the amended Investment Policy Statement which contained the approved switch to the new MSCI ACWI IMI ex. U.S. index as our benchmark.

Capt. Terry moved to adjourn the meeting. Mr. Francis seconded the motion, and the motion was unanimously approved. The meeting adjourned at 9:40 AM.



Mr. Joseph E. Rechter
Chairman
Firemen's and Policemen's Pension
Fund Board of Trustees



Mr. Wes Jones
Chairman
Retirement Committee Non-Uniformed
Employees Retirement Fund

