

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES

September 26, 2016 at 8:00 A.M.

A combined meeting of the Ladue Uniform 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 8:00 a.m. on September 26th, 2016. The following members were present:

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

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman
Mr. William Francis
Sgt. Greg Stork
MEMT/FF David Kaiser
Chief Steve Lynn
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

Also present: Laura Rider, Assistant to the Mayor / City Clerk; Sam Zes, Finance Director; Marquette Associates representatives: Tom Latzke and Brian Goding.

Mr. Jones moved to approve and adopt the agenda. The motion was seconded by Mr. Francis, and the motion was unanimously approved.

Mr. Jones requested to amend the August 1st, 2016 minutes to correct the spelling of Mr. Landers Carnal's name. Mr. Francis moved to approve the minutes, as amended, of the August 1st, 2016 meeting. The motion was seconded by Mr. White, and the motion was unanimously approved.

There was no public comment.

Chairman Jones asked if there was any additional discussion necessary before a vote to approve the Investment Consulting agreement with Marquette Associates. There being none, Ms. Benson made a motion to approve the agreement. The motion was seconded by Sgt. Stork, and the motion was unanimously approved.

Chairman Jones discussed the need to amend the directives in the Statement of Pension Fund Investment Policy. The current document specifies "Commerce Bank and Trust Company". Mr. Kaiser made a motion to amend the policy to state the committee appoints Marquette Associates as the Pension and Retirement Funds Investment Manager. The motion was seconded by Chief Wooten, and the motion was unanimously approved.

Chairman Rechter asked Mr. Latzke and Mr. Goding if they could advise the committee on the next steps and a transition plan. Mr. Latzke first stated since the original contract offered by Marquette did not include all services requested by the RFP, the contract has been amended to include all services as specified, at no additional cost. He said the next step would be for Marquette to review the City's Investment Policy with their oversight committee and make any suggestions for necessary changes. Mayor Spewak stated Mr. Winningham from Milliman suggested changing to the new mortality rates for the upcoming year, which will affect the funding ratio of both plans. Mr. Latzke agreed. The committee then discussed the schedule of meetings and agreed to continue the current quarterly schedule. Mr. Goding discussed the issue of custody. He stated they have a "No Fee" relationship with Charles Schwab. Mr. Rechter and Mr. Jones expressed concern as to whether Schwab keeps this type of account separate with the normal protections of a bank account or if the funds in the City's accounts would be held in a brokerage account and therefore not have the protections of the current Commerce accounts. Mr. Goding agreed to supply the committee with the custody contracts from Charles Schwab for review. Mr. Rechter asked if Marquette works with others for custody and Mr. Goding answered they have many clients with many different custodians.

Mr. Latzke asked if it is a requirement that the Uniform and Non-Uniform be managed the same way. After brief committee discussion, Mr. Jones stated the funds should be managed to optimize each fund as much as possible.

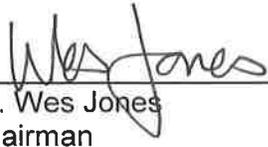
Chairman Rechter stated to Mr. Latzke and Mr. Goding the committee requires detailed reports on every manager and emphasized the importance of complete transparency in all reporting.

Mr. Francis asked if the pricing from Marquette Associates is locked in for a period of three years. Mr. Goding and Mr. Latzke confirmed it is.

Ms. Benson moved to adjourn the meeting. Mr. Francis seconded the motion, and the motion was unanimously approved. The meeting adjourned at 9:30 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