

CITY OF LADUE  
MINUTES OF THE COMBINED MEETING  
OF THE FIREMEN'S AND POLICEMEN'S  
PENSION PLAN AND RETIREMENT  
PLAN COMMITTEES  
June 4, 2018 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 June 4, 2018. The following members were present:

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

Mayor Nancy Spewak, Ex-Officio  
Mr. Joseph Rechter, Chairman  
Mr. William Francis  
Sgt. Greg Stork  
MEMT/FF David Kaiser  
Police Chief Ken Andreski  
Fire Chief Steve Lynn

Retirement Committee Non-Uniformed  
Employees Retirement Fund

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

Also present: Sam Zes, Finance Director; Laura Rider, Asst. to the Mayor/City Clerk; and Milliman representative: Bill Winningham. Non-Uniformed Chairman Wes Jones was absent.

Chief Lynn moved to approve and adopt the agenda. The motion was seconded by Mr. Stork, and the motion was unanimously approved.

Public Forum: None

Mr. Winningham presented the actuarial valuations as of January 1, 2018 of the City of Ladue Uniform and Non-Uniform Pension Plans. He stated the purpose of the valuation was to determine the recommended level of employer contributions for the 2018 calendar year and assess the relative funded position of the plan on an ongoing basis through a comparison of plan assets and projected plan liabilities.

Mr. Winningham first discussed the valuation results for the Uniform Pension Plan. The recommended annual contribution decreased from \$1,787,046 in 2017 to \$1,712,937 for 2018. The primary reason for the decrease was the return on the actuarial value of assets in excess of the assumed rate of 7.0%. The net market rate of return was 14.8% and the net actuarial (smoothed) rate

of return was 8.4% for the period. The market value of assets increased from \$30,994,503 on 1/1/2017 to \$35,240,462 on 1/1/2018. The Uniform Plan population was virtually unchanged from the prior year. The plan is currently 81.6% funded and the recommended contribution as a percentage of payroll is 35.1%.

The results on the Non-Uniform Retirement Plan are very similar to the Uniform Plan. The recommended contribution decreased from \$199,092 in 2017 to \$176,577 for 2018. The primary reason for the decrease was the return on the actuarial value of assets in excess of the assumed rate of 7.0%. The net market rate of return was 14.8% and the net actuarial (smoothed) rate of return was 8.4% for the period. The market value of assets increased from \$4,476,167 on 1/1/2017 to \$5,039,720 on 1/1/2018. The population was unchanged from the prior year. The plan is currently 93.3% funded and the recommended contribution as a percentage of payroll is 10.5%.

Mr. Rechter asked Mr. Winningham if the committee should be considering lowering the plans' assumption rate from 7%. Mr. Winningham stated it might be prudent to discuss this sooner rather than later as he is seeing many plans below 7% now. Mayor Spewak directed Mr. Zes evaluate the budgetary impact of lowering the assumption rate. The committee agreed the subject needs to be addressed at the next meeting.

The next meeting was set for July 31st at 8:00 a.m. Mr. Stork moved to adjourn the meeting. The motion was seconded by Mr. White, and the motion was unanimously approved. The meeting adjourned at 9:00 AM.

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

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