

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

October 31, 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 October 31, 2018. The following members were present:

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

Chairman Joe Rechter
Mayor Nancy Spewak, Ex-Officio
Sgt. Greg Stork
William Francis
Police Chief Ken Andreski
Fire Chief Steve Lynn

Retirement Committee Non-Uniformed
Employees Retirement Fund

Chairman Wesley Jones
Mayor Nancy Spewak
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 Tom Latzke and Brian Goding from Marquette. Mr. Dave Kaiser was absent.

Ms. Benson moved to approve and adopt the agenda. The motion was seconded by Mr. Bollinger, and the motion was unanimously approved.

Mr. Bollinger moved to approve the minutes of the meetings for May 3, 2018; June 4, 2018; and July 31, 2018. The motion was seconded by Mr. White, and the motion was unanimously approved.

Public Forum: None

Mr. Latzke presented the Portfolios' status and investment results for the fourth quarter 2018. He stated the second quarter GDP grew 4.2% and third quarter is expected to have grown about 4.1%. The unemployment rate remained at 3.7% in September and CPI increase 2.7% over the last year. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

Uniform Plan

Asset Allocation: 1% Cash Equivalents, 59.3% Equity Investments, 7.9% Defensive Equity, 18.7% Fixed Income Investments, and 13.1% Real Estate Investments. Portfolio vs. Benchmark – Last 3

Months – Ladue -2.9% vs. Benchmark -3.8%; YTD – Ladue 3.0 vs. Benchmark 4.6%; Last 10 Years - Ladue 7.6% vs. Benchmark 8.6%.

Non-Uniform Plan

Asset Allocation: 1.1% Cash Equivalents, 59.1% Equity Investments, 8.1% Defensive Equity, 18.8% Fixed Income Investments, and 12.9% Real Estate Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue -2.9% vs. Benchmark -3.8%; YTD - Ladue 3.0% vs. Benchmark 4.6%; Last 10 Years - Ladue 7.6% vs. Benchmark 8.6%.

Chairman Rechter asked the status of Brandes Investment Partners. Mr. Latzke advised the committee that Brandes remains under review, however, they have experienced these upsets in the past and always come back. He stated they have no additional concerns at this time.

The committee discussed Mr. Winningham’s actuarial recommendation that the plans lower the expected assumption rate from the current 7% to 6.5% over a 2-3 year period. Chairmans’ Rechter and Jones asked if Mr. Winningham could attend the January 30, 2019 meeting to discuss this further. Members agreed to continue this discussion in January 2019.

Chief Lynn 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.

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