

CITY OF LADUE  
MINUTES OF THE COMBINED MEETING  
OF THE FIREMEN'S AND POLICEMEN'S  
PENSION PLAN AND RETIREMENT  
PLAN COMMITTEES  
MAY 22, 2017 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 May 22<sup>nd</sup>, 2017. 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 Rich Wooten  
Chief Steve Lynn

Retirement Committee Non-Uniformed  
Employees Retirement Fund

Mayor Nancy Spewak  
Mr. Wesley Jones, Chairman  
Mr. Joseph Rechter (by phone)  
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; and Milliman Inc. representative Bill Winningham.

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

Mr. White moved to approve the minutes from the November 7, 2016 and February 2, 2017 meetings. The motion was seconded by Mr. Jones, and the motion was unanimously approved.

No members of the public were present.

Mr. Winningham presented the actuarial valuations, as of January 1, 2017, for the City of Ladue Uniform Pension Plan. He explained the results of this valuation are used to determine recommended contribution rates to the Plan for the 2017 calendar year. The Recommended Contribution for 2017 is \$1,787,046, which is an increase of 10.96% from 2016 due to a change in assumed mortality rates, adopted on 1/1/2017, and retirement rates. The market value of plan assets increased from \$29,355,447 at 1/1/2016 to \$30,994,503 at 1/1/2017; the actuarial value of assets increased from \$30,147,660 at 1/1/2016 to \$31,925,044 at 1/1/2017. The total City contributions for 2016 were

\$1,610,554. The employee contributions were 6% of Uniform gross salaries which was \$293,921. The plan funded ratio as of January 1, 2017 was 77.7%.

Mr. Winningham presented the actuarial valuations as of January 1, 2017, of the City of Ladue Non-Uniform Pension plan. He explained the results of this valuation are used to determine recommended contribution rates to the Plan for the 2017 calendar year. The Recommended Contribution for 2017 is \$199,092, which is an increase of 8.92% from 2016 due to a change in assumed mortality rates, adopted on 1/1/2017, and retirement rates. The market value of plan assets increased from \$4,254,102 at 1/1/2016 to \$4,476,167 at 1/1/2017; the actuarial value of assets increased from \$4,370,435 at 1/1/2016 to \$4,612,977 at 1/1/2017. The total City contributions for 2016 were \$182,786., which was the required contribution for 2016. The plan funded ratio as of January 1, 2016 was 89.2%.

Mr. Latzke presented the Portfolios' status and investment results for the first quarter 2017. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

#### Uniform Plan

Asset Allocation: 1.9% Cash Equivalents, 61.7% Equity Investments, 24.5% Fixed Income Investments, and 11.8% Real Estate Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 3.8% vs. Benchmark 4.3%; Last 12 Months – Ladue 10.9% vs. Benchmark 11.1%; Last 10 Years - Ladue 4.9% vs. Benchmark 6.0%.

#### Non-Uniform Plan

Asset Allocation: 2% Cash Equivalents, 61.9% Equity Investments, 24.5% Fixed Income Investments, and 11.6% Real Estate Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue 3.8% vs. Benchmark 4.3%; Last 12 Months – Ladue 10.9% vs. Benchmark 11.1%; Last 10 Years - Ladue 4.9% vs. Benchmark 6%.

Mr. Goding and Mr. Latzke reviewed their Executive Summary and explained Marquette's current recommended portfolio distribution, as well as three additional options to address the various committee concerns regarding Defensive Equities or "Put Writing". They also explained the characteristics, which includes Average 10 Year Return and Average 10 Year Volatility of each of the

four options. Mr. Jones and Mr. Rechter still expressed concern with the distribution and the inclusion of Defensive Equities and the committee agreed to continue this matter to the next meeting.

The next meeting was set for August 4, 2017 at 8:00 a.m. Mr. Jones moved to adjourn the meeting. Mr. White seconded the motion, and the motion was unanimously approved. The meeting adjourned at 10:30 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

