

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
November 7th, 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 November 7th, 2016. The following members were present:

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

Mayor Nancy Spewak
Mr. Joseph Rechter, Chairman (by phone)
Mr. William Francis
Sgt. Greg Stork
MEMT/FF David Kaiser
Chief Rich Wooten

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; Commerce Bank representatives: David Hagee and John Bascio; and Milliman representative: Bill Winningham. Fire Chief Steve Lynn was absent.

Ms. Benson 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 September 26th meeting. The motion was seconded by Mr. Francis, and the motion was unanimously approved.

There was no public comment.

The committee reviewed a custody agreement provided by Commerce Bank. Ms. Benson made a motion to approve the agreement for a period of 3 months. The motion was seconded by Chief Wooten, and the motion was unanimously approved.

Mr. Hagee discussed the Global Economy and growth from 2012-2014 and growth trends through 2017. He stated global growth from 2012 to 2014 was relatively steady at 3.4% but began to

slow in 2015 due to a fall in emerging markets' growth rates from 5.2% to 4%. Commerce estimates global growth falling to 2.9% in 2017.

Mr. Hagee presented the Portfolios' status and investment results for the third quarter 2016. He discussed the asset allocations and portfolio vs. benchmark returns for both the Uniform and Non-Uniform plans.

Uniform Plan

Asset Allocation: .7% Cash Equivalents, 62.6% Equity Investments, 29.9% Fixed Income Investments, and 6.8% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 3.64% vs. Benchmark 3.33%; Last 12 Months – Ladue 9.36% vs. Benchmark 11.06%; Report Period (1/1/98-9/30/16) Ladue 4.61% vs. Benchmark 6.24%.

Non-Uniform Plan

Asset Allocation: 1.1% Cash Equivalents, 63.1% Equity Investments, 28.6% Fixed Income Investments, and 7.2% Alternative Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 3.65% vs. Benchmark 3.33%; Last 12 Months – Ladue 9.25% vs. Benchmark 11.06%; Report Period (1/1/98-9/30/16) Ladue 4.71% vs. Benchmark 6.24%.

Uniform and Non-Uniform Plan

Mr. Hagee reviewed the City of Ladue's Consolidated Portfolio Attribution. He stated as of September 30, 2016, the Ladue Firemen's & Policemen's Pension had a balance of \$31,252,749 and the Ladue Non-Uniform Employee Retirement Plan had a balance of \$4,504,171; for a consolidated total of \$35,756,920. The total relative performance versus the benchmark resulted in a positive performance, which was due to Domestic Equities and active management.

Mr. Winningham from Milliman addressed the committee concerning the City of Ladue Pension Plan Mortality Assumption Study. He explained this needs to be updated to keep in accordance with accounting standards and good practices. The City is currently using the RP-2000 Combined White Collar Mortality Table which needs to be updated to the RP2014 table. The report noted the following:

Police and Fire	Current RP-2000 Tables	Proposed RP-2014 Tables
Total entry age accrued liability	\$38,655,458	\$40,706,569
Funded Ratio	78.0%	74.1%
Normal Cost	\$537,859	\$598,799
Recommended Contribution	\$1,610,554	\$1,860,761

Non-Uniform	Current RP-2000 Tables	Proposed RP-2014 Tables
Total entry age accrued liability	\$4,909,251	\$5,115,251
Funded Ratio	89.0%	85.4%
Normal Cost	\$127,297	\$133,749
Recommended Contribution	\$182,786	\$208,258

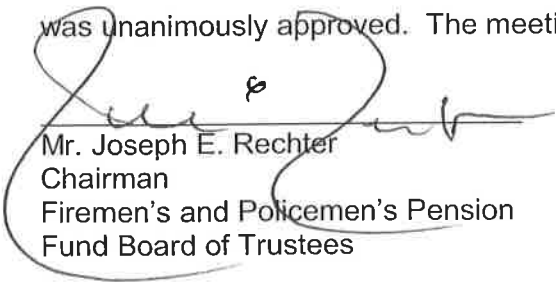
Mr. Winningham also noted actuaries are currently working on a Public Safety mortality table that could be available by 2019. Mr. Francis made a motion to approve the updated table. The motion was seconded by Sgt. Stork, and the motion was unanimously approved.

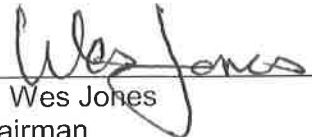
The committee reviewed an amended Statement of Investment Policy to assign Marquette Associates as Investment Manager. Mr. Jones made a motion to approve the Investment policy. The motion was seconded by Mr. Francis, and the motion was unanimously approved.

The committee discussed a report from attorney Kim Diamond at Cunningham, Vogel, & Rost, P.C., concerning the custody agreement provided by Charles Schwab & Co. Ms. Diamond stated in the report there were several points in the contract which would require further clarification and/or changes in order for the committee to proceed.

The committee reviewed the retirement calculation of Non-Uniform member Daniel Meehan. Ms. Benson made a motion to approve the retirement. The motion was seconded by Mr. White, and the motion was unanimously approved.

Mr. Jones moved to adjourn the meeting. Chief Wooten seconded the motion, and the motion was unanimously approved. The meeting adjourned at 10:30 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

