

**Board of Trustees
Joint Meeting
Non-Uniformed and Policemen & Fire Employees' Retirement System
October 27, 2015**

A meeting of the Board of trustees was called to order at 6:30 p.m. at Heman Park Community Center, 975 Pennsylvania Avenue, University City, MO 63130

Members in Attendance: Matthew Fillo, Edward McCarthy, Juli Niemann, Steve McMahon, Holston Black, Frank Reedy, Councilmember Terry Crow, James Stutz, Tom Deken, Joel Myers, Patrick Wall and Keith Cole

Members Absent: None

Others in Attendance: Tom Mug-Greensfelder, Hemker & Gale
Patty Boyd and Sean Hughes-FAMCO Representatives
Elaine Williams - Board Secretary
Tina Charumilind - Treasurer

Agenda

The order of business and the October 27, 2015 agenda was approved with minor revisions.

Minutes

A motion was made to approve the minutes. Member McCarthy seconded and the July 28, 2015 minutes were approved.

Chairman's Comments

Chairperson Fillo introduced Member Joel Myers to the Board members as the new Police and Fire board member. Member Myers was given the opportunity to provide a brief introduction.

Potential Chairperson Candidates and Discussion

Chairperson Fillo reminded the board members to start thinking about who should step up as the new Chairperson. He stated that the transition of responsibilities should go unnoticed, and he would like to also shadow the new person. This can happen at the next few meetings and if he has to step down before a person is appointed, the Vice-Chair will have to stand in as Chair until a replacement is named.

Quarterly Portfolio review and Funding Consideration Discussion- Sean Hughes and Patty Boyd-Ziegler Capital Management, LLC.

Mr. Hughes reviewed and summarized the Economic Review and the Economic Outlook as listed on page 2 of the portfolio. Mr. Hughes explained that equity portfolios suffered a difficult third fiscal quarter with the S&P 500 Index losing 6.4% with individual sectors apportioning slightly less and more loss. Overall, the market saw growth stocks outperforming value stocks, which impacted (among other things) the covered call strategy.

Mr. Hughes further explained the performance of the covered call portfolio indicating that it lost 5.8% in the third quarter and 5.9% year to date (net of premium). The board questioned the ongoing use of the covered call strategy based on the lack of performance of the portfolio in the third quarter. Mr. Hughes indicated that he continued to support the strategy and explained that the stock selection applied to the strategy in the third quarter simply did not work out. Mr. Hughes reminded the board members that while the stock selection did not work out well in the third quarter, the covered call strategy still yields a premium which increases income (or otherwise offsets any losses).

A general discussion ensued to determine the overall performance of the portfolios, the risk appetite of the portfolio to potentially increase returns and the fees charged by Ziegler Capital Management to support the portfolio. Member Niemann made a recommendation that the portfolio should reflect what our risk adjustment rate returns are. Ms. Boyd agreed to this recommendation.

Trustees Educational Seminar

Tom Mug reminded the members of the Missouri statutory requirement that members must complete at least six hours of continuing education and indicated that there are no carry over provisions for the training from year to year. He also indicated that his law firm will continue to provide opportunities to get the required hours and would provide further detail on upcoming dates.

Council Liaison's Comments

Washington University provided a report that was put together by a group of citizens that showed the dynamics between University City and Washington University. It showed many different pathways and where we could go. The report will be on the City's website, and at the library.

A general conversation ensued on the subject of the report and what the economic impact would be on the City and Washington University. Further discussion was held about the profit and non-profit elections that universities such as Washington University can employ in order to implement economic strategies. One rationale for Washington University desiring to take some of their property into for-profit (and taxable) status would be to get a tax credit.

Other Matters

Ziegler Capital Management. A question was raised about whether Ziegler Capital Management was doing a quality job on behalf of the pension funds? Members agreed that we cannot take a big risk and that we need to look at our pension plans and all the vendors to ensure we are doing a good job. A general consensus from the discussion was that the board needs to continue looking closely at the relationship that we have with these vendors moving forward, and the issue needs to be addressed now on ways to better fund the plan.

Euro Pacific Fund. The question of taking out money from Euro Pacific and reducing that amount to pay pensioners was asked and Member Niemann agreed to investigate whether there are any alternatives that looked good for the American Fund. She stated that we have to consider volatility and we need a better bogey and may need coaching and management.

Member McCarthy wanted to know if the Board should remove the funds from the Euro-Pacific funds and a general discussion ensued as to whether such monies shall be reallocated, but that discussion was tabled pending further discussion.

Actuarial Projections of Funding Requirements vs. Available Tax Base. Ms. Charumilind provided a handout of all the questions that were discussed at the July board meeting regarding the pension funds being underfunded. The recap of questions raised the issue of whether the Boards were responsible for addressing solutions to the funding shortfall and what solutions, if any, are available to increase the funding amount of the Police & Fire pension fund.

The ensuing discussion related to a number of different issues including whether the Boards should make a recommendation to City Council that City Council approve a petition to increase the tax rate. Ms. Charumilind reminded the boards that the Hancock amendment in Missouri precludes an increase in collectible taxes for the Police & Fire pension fund unless such increase is effectively approved by the voters in the form of an increase in tax rate. The citizens voted for 0.34 cents per \$100 of assessed valuation for property tax in 2007. She also reminded the Board members that when the assessed values of the properties go up, the rates must come down. The current rate is 0.17 cents, down from 0.34 cents originally approved. If the board decides to recommend that City Council approve a petition for a tax rate increase, we would ask for 0.09 cents. If we want to put this on the ballot for April 2016, the Board would have to recommend it to City Council soon.

Councilmember Crow asked where University City's pension funds stand in comparison to other cities. Council Member Crow stated that the City Council would have to look at this issue from an educated way if more funds are being requested. If the Board can come up with something that needs to go before the ballot in April 2016, the Board would have to vote on it now, or hold a special meeting to make a decision, in order to get the Council to have it on the April ballots. It cannot be done in January, because 90 days would have to have elapsed, prior to the election.

Employee Buy-In for Previous Service. Member Deken informed the Board members that an officer wanted to buy into the plan based on years of prior service with the City of St. Louis, but which did not lead to vesting in the City of St. Louis' pension fund. Chairperson Fillo stated there is a form that was created by the state, and that the member should complete the form and the board members will give the form to the actuary who will calculate the total cost it would be up to him to buy in and will relay that information to the Board members. Buck Consultants will not perform the actuary calculation for free. Member Deken inquired who pays for the actuarial calculation from Buck Consultants needed in order to determine the amount the officer needs to pay. General discussion was had regarding the employee needing to pay for it, but ultimately the question was tabled pending a determination of how much such calculation would cost. Ms. Charumilind agreed to investigate with Buck Consultants and revert back at next meeting.

Next Meeting Dates

January 26, 2016

Adjournment

The meeting adjourned at 8:02 p.m.

**Board of Trustees
Non-Uniformed Retirement System
October 27, 2015**

A meeting of the Board of trustees was called to order at 8:03 p.m. at Heman Park Community Center, 975 Pennsylvania Avenue, University City, MO 63130

Members in Attendance: Matthew Fillo, Edward McCarthy, Juli Niemann, Steve McMahon, Holston Black, Frank Reedy, James Stutz, Patrick Wall, Keith Cole, and Councilmember Terry Crow

Members Absent: None

Others in Attendance: Tom Mug-Greensfelder, Hemker & Gale
Tom Deken and Joel Myers
Elaine Williams - Board Secretary
Tina Charumilind - Treasurer

Minutes

A motion was made to approve the minutes. Member McCarthy seconded and the July 28, 2015 minutes were approved.

Approval of Disbursements

Member McCarthy made a motion to approve the disbursement. Member Niemann seconded and the disbursements were approved.

New Member Applications-Informational

Date of Birth and Names were reviewed for accuracy by Vice Chairperson McMahon for:
Christopher Simmons-Community Development
Dennis Stringfield-Public Works & Parks
Mark Zaiontz-Community Development
Joshua Dewitt-Public Works & Parks

Approval of Retirement Applications

Member Black moved, and Member Stutz seconded, the application to approve Sharon Cooper's retirement application. The motion was approved.

Other Matters

None

Next Meeting Dates

January 26, 2016

Adjournment

The meeting adjourned at 8:07 p.m.

**Board of Trustees
Police & Fire Retirement System
October 27, 2015**

A meeting of the Board of trustees was called to order at 8:08 p.m. at Heman Park Community Center, 975 Pennsylvania Avenue, University City, MO 63130

Members in Attendance: Matthew Fillo, Edward McCarthy, Juli Niemann, Steve McMahon, Holston Black, Frank Reedy, James Stutz, Tom Deken, Joel Myers and Councilmember Terry Crow

Members Absent: None

Others in Attendance: Tom Mug-Greensfelder, Hemker & Gale
Patrick Wall and Keith Cole
Elaine Williams-Board Secretary
Tina Charumilind-Treasurer

Minutes

A motion was made to approve the minutes. Member McCarthy seconded and the July 28, 2015 minutes were approved.

Approval of Disbursements

Member McCarthy made a motion to approve the disbursements, Member Black seconded and the disbursements were approved.

New Member Applications-Informational

Date of Birth and Names were reviewed for accuracy by Vice Chairperson McMahon for:
Joshua Wilson – Paramedic Firefighter
Ebenezer Leopold – Paramedic Firefighter

Approval of Retirement Applications

Michael Ransom and Charles Watts applications were approved

Other Matters

None

Next Meeting Dates

January 26, 2016

Adjournment

The meeting adjourned at 8:12 p.m.