



**BOARD OF TRUSTEES FOR UNIVERSITY CITY PENSION PLAN
MINUTES OF JOINT MEETING**

**Non-Uniformed and Police & Fire Employee's Retirement System
July 23, 2019 at 6:30 p.m.**

A meeting of the Board of Trustees was called to order by acclamation at 6:30 p.m. at the Heman Park Community Center – 975 Pennsylvania Ave, University City, MO.

Members in Attendance: Frank Reedy, Thomas Jennings, Patrick Wall, James Stutz, Brian Isenberg, Ewald Winker, Edward Deitzler, Tony Westbrooks; non-voting – Steve McMahon

Member(s) Absent: Joel Myers

Member(s) Excused: Gregory Rose (non-voting)

Others in Attendance: Wiley Angel and Tom Engel– Ziegler Capital Management
Keith Cole – Interim Treasurer
Yolanda Howze – Staff Liaison

Agenda

Chairman Reedy called for an approval of the agenda. The motion was passed with unanimous consent.

Minutes

Member Stutz motioned to approve the May 14, 2019 meeting minutes. The motion was seconded by Member Jennings and approval carried unanimously.

Quarterly Portfolio Review

Wiley Angel and Tom Engel of Zeigler provided an overview of the previous quarter's market and Non-Uniformed and Police and Fire portfolios. Wiley stated that September 21, 2018 highs to Christmas Eve 2018, the market sold off 19.4% and then from Christmas Eve to July 22, 2019, the S&P was up 28.4%. It's been a rollercoaster ride and as the pension board is tasked with meeting long term actuarial assumptions you have to live the ebb and flow of the fluctuations and stay the course and wisely did that through the turmoil that happened in December. The market sold off so much because it was anticipated that the Feds would raise interest rates three times this year. As of today, there is anticipation that the Feds will decrease interest rates. The outcome is that Feds did nothing. The market has done really well so year to date we have strong returns in equities and Covered Call strategies have done really well and bonds have their best returns since 2002. Large Cap outperformed Small Cap; US Centric stocks outperformed International stocks over the six-month period YTD. Trade and anticipation of what the Feds might do is driving the current market.

Related to the portfolio, our fixed income range is 20%-50% and it's at 21%. It may appear to be a risk-on portfolio because it's at the minimum for bonds, but we're at the minimum for bonds because interest rates are really low and return potentials going forward aren't very good. The key component is Covered Call at 29% of the portfolio which is low volatility equity. It's an expertise of their firm and it's stocks light—a third less risky than the S&P 500—so it's a way to be invested in overweight stocks, but not risky stocks. It's a stable equity component and a way to be a little more aggressive without going all the way in. The equity component at 50%--partly Mid-Cap ETFs and Small Cap ETFs—is a low-cost index added to the fund not managed by them and has a YTD return of 17.9%. The Domestic Equity YTD return is 19.4%. The benchmark index is 18.9% so their stocks outperformed the index and the ETF. Covered Call is at 14.7%. Fixed income is at 5%. With a quarter and half year like this, you can rest easy because the returns are good, and the risk is modest. Looking forward with the portfolio, the S&P 500 is trading at 17 times earnings; historic average is 16.5. Our portfolio stocks—Covered Calls and straight equity is trading at 15 times earnings so they're cheaper and have done well this year. The biggest question is how long can this go on and when should there be concern. Given that the Feds are talking about cutting rates, in the short term there's not a lot of risk, but over the next year should be up for discussion.

Acceptance of the reports was unanimous.

Chairman Reedy mentioned that we have an active management style and they reflect a conservative mixture of value and growth and over a period of time, except for the past 8 months or so, on a net of fee basis they have been underperforming their benchmark. This is something to be aware of and discuss to determine whether we're doing any better with active management than we'd be doing with a passive style with very little cost.

Greensfelder Legal Comment

Legal representation was not present at this meeting. Agenda Item 6 – Statement of Policies and Objectives – Minority and Women Money Managers—tabled to future meeting.

Contracts Review

Chairman Reedy said he would contact former board member, Edward McCarthy to get a status update on this item. Tabled to a future meeting.

Follow-up to Potential Unauthorized Transfer

Related to the \$880,000 transfer to the Non-Uniformed Retirement Fund account in late 2018, Acting Treasurer Keith Cole commented that staff is looking at engaging an outside firm to do an internal review of internal controls/segregation of duties within the Finance department to make sure there are no issues with processes going forward. Mr. Cole further commented that staff will take the necessary steps to properly record and document the noted transfer and will ensure future transfers are properly approved by City Council. Information only—no action needed by the Board.

Open Board Member Positions

After discussion about the number of authorized board members and potential vacancies, Mrs. Howze stated she would follow-up with the City Clerk to determine there are indeed vacancies and, if so, the plan to fill the vacancies.

Council Liaison/City Manager Remarks

None

Other Matters

None

Next Meeting Date(s)

October 22, 2019

Adjournment

The meeting adjourned at 7:20 p.m., with a motion by Member Wall, seconded by Member Jennings and passed with unanimous consent.



BOARD OF TRUSTEES FOR UNIVERSITY CITY PENSION PLAN MINUTES OF MEETING

Non-Uniformed Employee's Retirement System July 23, 2019

A meeting of the Board of Trustees was called to order by acclamation at 7:35 p.m. at the Heman Park Community Center – 975 Pennsylvania Ave, University City, MO.

Members in Attendance: Frank Reedy, Tony Westbrooks, Thomas Jennings, Edward Deitzler, James Stutz, Patrick Wall, Ewald Winker; non-voting Steve McMahon

Member(s) Absent:

Member(s) Excused: Gregory Rose (non-voting)

Others in Attendance: Brian Isenberg – Police & Fire Board member
Keith Cole – Interim Treasurer
Yolanda Howze –Staff Liaison

Minutes

Chairman Reedy called for an approval of the May 14, 2019 minutes. Minutes were motioned by Member Stutz, seconded by Member Wall and approved with unanimous consent.

Disbursement Approval

Chairman Reedy announced that we need to look at the disbursements for a sense of reasonableness and repetition, especially beneficiary payments and expense payments to make sure we are complying with all the payments that are chargeable to our plan.

Chairman Reedy called for approval of the disbursements. Disbursements were motioned by Member Stutz, seconded by Member Winker and approved with unanimous consent.

New Member Applications – Informational

- Shaunee Blanks – Laborer (Solid Waste)
- Rosemary Clark - Dispatcher
- Simcha Fremerman – Parking Attendant
- Kyle Giamanco – Police Officer Trainee
- Cherise Harris – Senior Accountant
- Jamesha Howard – Police Officer Trainee
- Matthew Howell – Police Officer Trainee
- Jacob Kaiser – Forestry Supervisor
- Benjamin Walker – Police Officer Trainee

- Rachel White - Inspector

Approval of Retirements

- Derek Lambert – Equipment Operator - \$1,663.93

Chairman Reedy called for approval of the above noted monthly retirement benefit payment. The retirement benefit payment was motioned by Member Winker, seconded by Member Wall and approved with unanimous consent.

Other Matters

Member Winker stated he has had several inquiries from employees regarding the ten-year vesting as opposed to other cities where they've worked where it was five years. Chairman Reedy commented that there would have to be some analysis done to determine the feasibility of it and it should be discussed with the City Manager.

Next Meeting Date(s)

October 22, 2019

Adjournment

The meeting adjourned at 7:48 p.m., with a motion by Member Stutz, seconded by Member Wall and passed with unanimous consent.



MINUTES OF MEETING

Police & Fire Employee's Retirement System July 23, 2019

A meeting of the Board of Trustees was called to order by acclamation at 7:20 p.m. at the Heman Park Community Center – 975 Pennsylvania Ave, University City, MO.

Members in Attendance: Frank Reedy, Tony Westbrook, Thomas Jennings, Edward Deitzler, James Stutz, Brian Isenberg; non-voting— Steve McMahon

Member(s) Absent: Joel Myers

Member(s) Excused: Gregory Rose (non-voting)

Others in Attendance: Ewald Winker – Non-Uniformed Board member
Patrick Wall - Non-Uniformed Board member
Keith Cole – Interim Treasurer
Yolanda Howze – Staff Liaison

Minutes

Member Jennings motioned to approve the May 14, 2019 meeting minutes. The motion was seconded by Member Stutz and approval carried unanimously.

Disbursement Approval

Chairman Reedy announced that we need to look at the disbursements for a sense of reasonableness and repetition, especially beneficiary payments and expense payments to make sure we are complying with all the payments that are chargeable to our plan.

Chairman Reedy called for approval of the disbursements. Disbursements were motioned by Member Stutz, seconded by Member Isenberg and approved with unanimous consent.

New Member Applications – Informational

- Zachary Heberlie – Paramedic Firefighter
- Katrina Neiheiser – Paramedic Firefighter
- Kevin Smith – Police Officer

Approval of Retirements

- Rodney Burress – Police Officer - \$1,062.64

Chairman Reedy called for approval of the above noted monthly retirement benefit payment. The retirement benefit payment was motioned by Member Isenberg, seconded by Member Stutz and approved with unanimous consent.

- Sara Poteet – Police Officer - \$1,510.26

Chairman Reedy called for approval of the above noted monthly retirement benefit payment. The retirement benefit payment was motioned by Member Isenberg, seconded by Member Jennings and approved with unanimous consent.

Other Matters

Brief discussion and explanation regarding ten-year rollover to police and fire investment accounts.

Next Meeting Date(s)

October 22, 2019

Adjournment

The meeting adjourned at 7:35 p.m., with a motion by Member Isenberg, seconded by Member Jennings and passed with unanimous consent.