



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

**Non-Uniformed and Police & Fire Employee's Retirement System
October 19, 2021, at 6:30 p.m.**

A meeting of the Board of Trustees via Zoom was called to order by acclamation at 6:31 p.m.

Members in Attendance: **Thomas Jennings, James Stutz, Edward Deitzler, Tony Westbrooks, Patrick Wall, Gregory Rose-non-voting, Steve McMahon-Councilmember**

Member(s) Absent: **Eric Whritnour, Joel Myers, Brian Isenberg**

Member(s) Excused:

Others in Attendance: **Todd Davis– Ziegler Capital Management
Heather Mehta – Greensfelder, Hemker & Gale P. C
Keith Cole –Treasurer
Gabby Macaluso – Staff Liaison**

Agenda

Member Wall motioned to approve the agenda. The motion was seconded by Member Jennings. The motion was passed with unanimous consent.

Minutes

Chairman Stutz called for an approval of the July 27, 2021, minutes. Member Jennings moved to approve the minutes. The motion was seconded by Member Westbrooks and approval carried unanimously.

Quarterly Portfolio Review

Todd Davis of Ziegler Capital Management provided an overview of the previous quarter's Non-Uniformed and Police and Fire portfolios. The YTD performance through the third quarter is at 10.7%, outperforming benchmark of 10.1%. Returns for the one year are at 22.7% versus the benchmark of 21.6%. Very good returns overall. Todd Davis mentioned they are keeping an eye on one word and that word is inflation. When you hear of inflation, the term transitory keeps coming up. Inflation, it comes down to we are paying more now to purchase items. This is something we are going to be looking at when it comes to the portfolio. Inflation is beyond forecasting right now so we be keeping this in mind when looking at the portfolio. Will adjust on the bonds and equity side. Inflation will be here for a while, transitory-ish. Performance review – conservative overall to start the year. High quality buys the portfolio today. Fixed Income use the word, risk. Equity side, very positive numbers. YTD, up 14.7% just shy of benchmark of 15.2%. Things to note, small cap leading the large cap, value is leading the growth. Covered

Call, YTD is up 11.1% from benchmark of 12.6%. Hard to beat the BXM when the market has been going sideways. For covered call to do well, you would need to have a down market or up small. Flat market does not do well for the portfolio. Small Caps – doing well. YTD, up 36.6%, helps the overall portfolio of 22.7% for one year. Overall, very happy with the YTD return of 10.7%, and then caring out the 1-year number of 22.7%. The portfolio is on target with the policies. If you ask if the portfolio is balanced, the answer is yes.

On Page 9, review of the adjustments. Southwest Airlines, transportation spending is expected to return to normal next year for leisure travel. Now, most travel is for meetings. Facebook, stock has dipped a little. Union Pacific, railroad car loadings for coal have already surpassed pre-COVID levels, and the stock is cheap right now. Great thing to have in the portfolio. Mondelez, it's a global weight in the market.

Fixed Income, high quality portfolio. Allows you to take extra risks in the portfolio. Across the board, we are doing what we are supposed to be doing on the equity side.

Fixed Income weighting, having more credit is where you make the money.

Not a whole surprise on the covered call. Hitting the guidelines on all sides. Well position going forward.

Chairman Stutz asked Todd Davis how the \$3.5 Trillion debt that the Democrats are laying out have an impact on the portfolio. Todd Davis mentioned, one of the drive factors would be inflation. A ton of money that would be going into the economy. The portfolio would be pushed towards the domestic side of the market.

Proposal on Smoothing Unfunded Liability

In following up from a previous recommendation for a study to be completed to identify the potential costs of smoothing over a 15, 20, 25, 30-year basis. The motion was approved to request a proposal from the Actuary at the July meeting.

Chairman Stutz asked for a motion to approve the proposal from Buck in the amount of \$5,700. Chairman Stutz asked if this was the study that was approved at the last meeting. Mr. Cole stated yes, it was. Member Westbrook moved to approve the proposal. The motion was seconded by Member Jennings and unanimously carried.

Legal Update from Heather Mehta

Heather Mehta shared no new legislation has been passed that impacts pensions at the state or federal level. Ms. Mehta mentioned if anyone is needing continuing education credits, Greensfelder will be holding a seminar on Fiduciary's sometime in early November. You should have received an email about this. If you did not, please let her know. It will be held over Zoom, on a Tuesday and Wednesday, November 9 and 10. The seminar is free.

Council Liaison's/City Manager's Comments

Councilmember McMahon shared at a recent all day work session, and part of the work plan that was discussed was a quarter cent sales tax proposal that would go towards public safety. Some of that could go towards the purchase of a new ambulance that we have an increased need for runs. But also, to help to shore up the uniform pension plan. Member Westbrooks asked if this was an additional ambulance. Councilmember McMahon stated that with the increase in runs, aging population, the need for a 3rd ambulance is anticipated. City Manager Rose stated this will be a few years off and the initial revenues received if tax is approved, would only go towards the pension fund to try, and strengthen it.

City Manager Rose said, this week we'll be using a consultant to assist us on information campaign for the consideration of the quarter cent fire sales tax.

City Manager Rose put in a plug for the Visioning Plan that is set for November, to see how University City is shaped for the next 40 years. The first kick off meeting for the Task Force is November 1, Monday, at 6:30pm. Initial meeting will be held by Zoom.

Member Westbrooks asked about the status or update on the Costco project. City Manager Rose stated the project is still on schedule and proceeding as planned. Mayor and Council authorized approval to City Manager to allow night work. Member Jennings stated this will be good for University City.

Other Matters

- None noted

Next Meeting Date(s)

Next meeting dates will be January 18, 2022, and April 19, 2022

Adjournment

The meeting adjourned at 7:00 p.m. with a motion by Member Wall, seconded by Member Deitzler and passed with unanimous consent.