



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

**Non-Uniformed and Police & Fire Employee's Retirement System
January 23, 2024, at 6:30 p.m.**

A meeting of the Board of Trustees via Zoom was called to order by acclamation at 6:32 p.m.

Members in Attendance: **Ed Deitzler, Tony Westbrooks, Patrick Wall, Brian Isenberg, Colin Van Hare, Eric Whritenour, Michael Forte, Gregory Rose-non-voting**

Member(s) Absent: **Joel Myers, Thomas Jennings**

Member(s) Excused: **James Stutz, Steve McMahon-Councilmember**

Others in Attendance: **Pam Brown – Ziegler Capital Management, LLC
Sean Hughes – Ziegler Capital Management, LLC
Mike Ribble – Buck Consultants
Duncan Reynolds – Buck Consultants
Heather Mehta – Greensfelder, Hemker & Gale PC
Keith Cole –Treasurer**

Agenda

Acting Chairman Westbrooks called for an approval of the agenda. Member Forte motioned to approve the agenda. The motion was seconded by Member Whritenour. The motion carried unanimously.

Minutes

Acting Chairman Westbrooks called for an approval of the October 24, 2023, minutes. Member Whritenour moved to approve the minutes. The motion was seconded by Member Isenberg. The motion carried unanimously.

Quarterly Portfolio Review

Sean Hughes of Ziegler Capital Management LLC provided an overview of the market in general and the review of the fourth quarter's Non-Uniformed portfolio.

Some of the overview highlights are as follows: Sean reviewed the Non-Uniformed portfolio starting on page 6. The total portfolio benchmark for the quarter was at 10.2 percent, portfolio at 10.0 percent. Year to date, benchmark was at 16.8 percent, portfolio at 19.3 percent. Page 8 shows the performance review of the total portfolio. The bonds were strong for the quarter. Equity, outperforming benchmark by 150 basis points. Covered Call outperforming in both quarter and year to date.

On Page 9, it shows the asset class allocations. The asset allocation on how it is set has done very well over the years. Page 10 displays the equity characteristics of the portfolio. Page 12 displays the sectors of the portfolio and how they are weighted. Portfolio is underweighted in Communication Services, and Health Care. Overweight in Consumer Discretionary, Financials, Industrials, and Information Technology. At this time, don't see any signs to make any changes in the sectors.

Portfolio seems to be going well.

Smoothing Discussion

Mike Ribble and Duncan Reynolds from Buck Consultants attended the meeting to present a discussion on the amortization method analysis. Options to consider keep the current amortization period closed at 12 years remaining as of 2024; resetting the closed amortization to a longer period such as 15 or 20 years; or change to a layered amortization.

Potential changes as reviewed: resetting the closed amortization period from 12 years to 15 or 20 years. GFOA indicates amortization periods should be closed and never exceed 25 years. Under the layered amortization, incremental increases or decreases are amortized over a new period. Layered amortization only works in conjunction with closed amortization period, and layered amortization limits volatility in required contributions and is recommended by the GFOA.

Key takeaways: Buck is recommending retaining a closed amortization period at the current 12-year closed amortization period or switching to a 15- or 20-year closed amortization period and adding a layered amortization approach to future unfunded liabilities to reduce the fluctuation of required contribution amounts.

Member Isenberg made a motion to table the discussion on amortization period pending an analysis discussed by City Manager Rose, to provide information on the overview of benefits on the Uniformed and Non-Uniformed pension plans. The motion was seconded by Member Writenour. The motion carried unanimously.

Legal Update from Heather Mehta

Heather Mehta discussed in previous meetings the idea of a buyback option in the Non-Uniformed pension plan for employees who were re-hired into the plan. Heather drafted some language options to consider. The language started with Section 130.485 which is the purchase of creditable service of other plans who come to University City, vest in the plan, and buy creditable service with the years of services in other municipal plans.

The decision was made to bring back to the next meeting with all the options that was discussed to have a clearer picture of the different languages on what is being proposed.

Council Liaison's/City Manager's Comments

City Manager Rose commented since the last time the board met, Council approved the Comprehensive Plan which was worked on by the Planning Commission for roughly two years; Mayor/Council did approve the vesting change for the Non-Uniformed Plan from 10 years to 5 years; Crescent Plumbing is continuing to advance in University City; we continue to have events in the Loop, and on Saturday, the Ice Carnival was hosted.

Member Van Hare expressed gratitude in that Mike Warmbold was selected as Employee of the Year. He stated he had won Employee of the Year 20 years ago and commends the City in awarding this award to Mike, in which he so deserves.

Other Matters

None noted.

Next Meeting Date(s)

Next meeting dates will be April 23, 2024, July 23, 2024, October 22, 2024, tentatively.

Adjournment

The meeting adjourned at 7:50 p.m. with a motion by Member Whritenour, seconded by Member Isenberg and passed with unanimous consent.