

January 27, 2021

OPEN SESSION MINUTES: MONTHLY MEETING
THE BOARD OF TRUSTEES OF THE POLICE RETIREMENT SYSTEM OF ST. LOUIS

The monthly meeting of the Board of Trustees of The Police Retirement System of St. Louis was held on Wednesday, January 27, 2021 at 8:30 A.M. via electronic formats.

Trustees and staff members were invited to participate either in person or via a Zoom video meeting.

Chairman Leopold called the meeting to order at 8:40 A.M. at which time Director Lawson took Roll Call and confirmed a quorum with the following Board members in attendance either in-person or electronically via Zoom:

Det. Wallace K. Leopold, Chairman
Ms. Beverly Fitzsimmons, Deputy Comptroller (via Zoom)
Sgt. Michael A. Frederick, Retired
Captain Michael J. Mueller
Det. Leo G. Rice
Det. Samuel G. Zouglas, Retired
Sgt Gary R. Wiegert, Retired (arrived via Zoom at 8:45A.M.)
Ms. Ann Hunter (via Zoom)
Mr. Richard Kismer (via Zoom)

Others present were:

Mr. Mark Lawson, Executive Director
Ms. Kelly Camilleri, Assistant City Counselor
Mr. George Weindel, Retiree (via Zoom)

1. Roll Call Vote to temporarily adjourn open session to hold a closed meeting.

MOTION

Chairman Leopold moved that the Board temporarily adjourn open session to hold a closed meeting for the following purposes:

- a. Proceedings to discuss matters involving litigation and legal causes of action or attorney work product, as provided by Section 610.021 (1) of the Revised Statutes of Missouri.
- b. Proceedings to discuss nonjudicial mental, psychiatric, psychological, or alcoholism or drug dependency diagnosis or treatment, as provided by Section 610.021 (5) of the Revised Statutes of Missouri;

- c. Proceedings to consider sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected, as provide by Section 610.021 (12) of the Revised Statutes of Missouri;

TEMPORARILY ADJOURN OPEN SESSION

Motion was seconded by Trustee Frederick.

Chairman Leopold then called for a Roll Call Vote; and upon vote, the following was recorded:

<u>Yes</u>	<u>No</u>		
Ms. Fitzsimmons	0	Yes - 8	No – 0
Sgt. Frederick			
Ms. Hunter			
Mr. Kismer			
Chairman Leopold			
Captain Mueller			
Det. Rice			
Det. Zouglas			

Motion passed 8 to 0

Chairman Leopold temporarily adjourned Open Session at 8:42 A.M.

Open Session resumed at 9:52 A.M.

Chairman Leopold moved to agenda item 3a at this time.

3. Approval of Fiscal Year 2020 Actuarial Documents – Copies of the following reports were included in the agenda documents on the secured portal. Mr. Stephen McElhaney, Mr. Michael Noble and Mr. Patrick Nelson with Cheiron were present via Zoom on this date.
 - a. Draft of the October 1, 2020 Actuarial Valuation Report from Cheiron –
 - 1) Presentation Booklet “Actuarial Valuation as of October 1, 2020 and GASB 67/68”
 - 2) “Actuarial Valuation Report as of October 1, 2020”
 - 3) “GASB 67/68 Report as of September 30, 2020”

While walking the Board through the presentation booklet and answering questions, Mr. McElhaney, Mr. Noble and Mr. Nelson noted the following highlights:

- Membership population remains incredibly stable.
- This is a mature plan with a larger retiree population than an active.
- Funded ratio is 81.4%, up from last year’s 79.4%.
- Current funding method is the aggregate (rolling) method.

- Current DROP interest rate is 5.70%, up from last year's 2.20%.
- Required City Contribution decreased from \$35,335,830.00 to \$32,839,034.00.
- The Experience Study will be performed this Spring 2021.

Trustee Mueller left meeting at 10:55 AM

With no further discussion or questions from the Board regarding the actuarial reports, Chairman Leopold thanked Mr. McElhaney, Mr. Noble and Mr. Nelson for their report.

Following the Board's review and approval, the Actuarial Valuation Report for October 1, 2020 will be prepared and will be presented to the Board during February 24, 2021 regular monthly meeting.

- b. Approval of DROP Interest Rate – A copy of the October 1, 2020 DROP Interest Rate was included in the agenda documents on the secured portal for the Board's review and approval.

MOTION

Chairman Leopold moved that the Board accept the October 1, 2020 DROP Interest Rate of 5.70% as reported in the letter dated January 25, 2021 from Mr. Stephen McElhaney with Cheiron.

Motion was seconded by Trustee Zougla; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

Trustee Mueller returned to the meeting at 10:58 AM

- c. Approval of Preliminary City Contributions Requirement to The Police Retirement System – A copy of the City Contribution Requirement from Cheiron was included in the agenda documents on the secured portal for the Board's review and approval.

MOTION

Chairman Leopold moved that the Board approve the City Contributions Requirement to The Police Retirement System \$32,839,034.00 as reported from Mr. Stephen McElhaney with Cheiron.

Motion was seconded by Trustee Zougla; and upon vote, the following was recorded:

Yes - 9

No – 0

Motion passed 9 to 0.

4. Investment Committee Report – Committee Chairman Leopold turned the meeting over to Mr. Alcorn, Mr. Hymowitz and Ms. Mullen with EnTrustPermal, LLC.

- a. EnTrustPermal, LLC – Mr. Tyler Alcorn, Mr. Gregg Hymowitz and Ms. Sophia Mullen were present via Zoom on this date and updated the Board on the System’s portfolio and answered questions from the Board. A copy of the presentation was included in the agenda documents on the secured portal.

Trustee Mueller left meeting at 11:52 AM

- b. Marquette Associates Report – Mr. Brian Goding and/or Mr. Tom Latzke with Marquette were present via Zoom and reported to the Board on the following:
 - 1) Fourth Quarter Performance Report and December 2020 Executive Investment Summary Report – A copy of said report was included in the agenda documents on the secured portal. While walking the Board through the report, Mr. Goding and Mr. Latzke answered questions from the Board and noted that the market value of the Fund was \$851,160,802.00 as of December 31, 2020.
- c. Capital Call/Distribution Updates:
 - 1) Siguler Guff
Special Distribution: \$6,000.00 (December 17, 2020)
 - 1) HarbourVest 2020 Global Fund L.P.
Capital Call: \$1,200,320.00 (December 18, 2020)
 - 2) HarbourVest Dover Street IX L.P.
Distribution: \$628,009.00 (December 28, 2020)
 - 3) Hancock Timberland and Farmland Fund LP
Distribution: \$45,369.91 (December 30, 2020)
 - 4) Siguler Guff
Capital Call: \$186,000.00 (January 20, 2021)
 - 5) Hancock Timberland and Farmland Fund LP
Capital Call: \$6,409,200.00 (January 21, 2021)
- d. Acceptance of December 31, 2020 Investment Report – for informational purposes – A copy of the December 31, 2020 Market Value Report was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board accept the December 31, 2020 Investment Report as presented.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

5. Chairman’s Report – Chairman Leopold reported the following to the Board.

- a. Proposed Section 7.10 for Trustees' Manual – Chairman Leopold introduced the proposed Board Meeting Attendance Policy.

MOTION

Chairman Leopold moved that the Board adopt the proposed Section 7.10 for the Trustee's Manual regarding the Board Meeting Attendance Policy.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

In keeping with the Board's Policy XVI of the Trustees' Policy Manual, any motion to change policy will lay over for 30 days and the vote will be taken during the next regular monthly Board meeting.

- b. Identification of Compliance Officers – Pursuant to Appendix 10.10 of the Trustees' Manual, Chairman Leopold reported that due to the current allegations against the System, it is appropriate to institute the position of Compliance Officers and that they should receive a copy of the investigation from Mr. Neil Bruntrager. Chairman Leopold nominated the following trustees:
 - Trustee Ann Hunter
 - Trustee Rich Kismer

MOTION

Chairman Leopold moved that the Board approve the nominations of Trustee Ann Hunter and Trustee Rich Kismer to serve as the System's Board Compliance Officers.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

6. Reports from the Executive Director – Director Lawson will report to the Board.

- a. In re Mark Taylor – Final Decision of the Board regarding reimbursement of the System of overpayment as a result of felony conviction per Missouri state statute.

MOTION

Chairman Leopold moved that the Board affirm the Executive Session Motion to approve the final decision in the matter of Retired Police Officer Mark A. Taylor and have the amount owed to the System of \$64,855.09 be repaid by an offset of 50% of monthly pension until monies are paid in full.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 7

No – 1

Motion passed 7 to 1.

- b. In re P.O. Ann McNail – The Resumption of Formal Hearing on Application for Service-Connected Disability Retirement was scheduled for March 9, 2021.
- c. Proposed Revisions to Sections 6.01 and 6.04 of Trustee's Manual – This revision reducing the standing committees from 8 to 7 by combining the Pre-Retirement and Veteran Affairs into a committee called the Pre-Retirement/Veterans' Affairs Committee.

In keeping with the Board's Policy XVI of the Trustees' Policy Manual, any motion to change policy will lay over for 30 days and the vote will be taken during the next regular monthly Board meeting.

- 7. Approval of the January 2021 Information Section – For the Board's review and approval, included in the agenda documents on the secured portal was a copy of the January 2021 Informational Section.

MOTION

Chairman Leopold moved that the Board accept the January 2021 Informational Section as presented.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

- 8. Approval of the December 31, 2020 Budget Report – For approval by the Board, a copy of the December 31, 2020 Budget Report, including the actual and forecasts expenses, was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board accept the December 31, 2020 Budget Report as presented.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8

No – 0

Motion passed 8 to 0.

- 9. Open Forum Session – Guests who had signed up in advance with the Executive Director had an opportunity to address the Board. In the interest of time, organizations were asked to appoint a spokesperson; and presentations will be limited to 5 minutes. No guest signed up to address the Board.

10. Upcoming Board Meetings – Below is a list of the scheduled Board meetings:
February 24, 2021, 8:30 A.M. – Regular Monthly Board Meeting
March 31, 2021, 8:30 A.M. – Regular Monthly Board Meeting
April 28, 2021, 8:30 A.M. – Regular Monthly Board Meeting
May 26, 2021, 8:30 A.M. – Regular Monthly Board Meeting
11. Personnel & Policy Committee Report – Committee Chairman Rice reported the following to the Board.
 - a. Development of Social Medica Policy – The policy is currently in the process of being completed.
12. Disability Committee Report – Committee Chairman Frederick will report to the Board.
 - a. Selection of Hearing Officer Candidates to Offer Contracts

MOTION

Committee Chairman Frederick moved that the Board affirm the Executive Session Motion to retain the services of Ms. Angela Gabel and Mr. Ray Meyer as additional Hearing Officers.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 8 No – 0 Motion passed 8 to 0.

13. Legal Committee Report – Committee Chairman Zouglas reported the following to the Board.
 - a. Lathrop GPM Letter of Engagement – For legal services pertaining to legislative bills (SB 339 and HB 484), introduced in 2021 legislative session. Committee Chair Zouglas provided the Legal Committee recommendation that on January 19, 2021 the Legal Committee voted to accept the letter of engagement with Lathrop Gage.

MOTION

Committee Chairman Zouglas moved that the Board approve the Legal Committee's recommendation to accept the letter of engagement with Lathrop Gage.

Motion was seconded by Chairman Leopold; and upon vote, the following was recorded:

Yes - 7 No – 1 Motion passed 7 to 1.

Trustee Kismer left the meeting at 1:00 P.M.

MOTION

Chairman Leopold moved that the Board affirm the Executive Session Motion to approve the concept of exploring the retention of legal counsel to investigate the allegations brought forward by Trustee Gary Wiegert.

Motion was seconded by Trustee Rice; and upon vote, the following was recorded:

Yes - 6

No – 1

Motion passed 6 to 1.

14. Legislative Committee Report – Committee Co-Chairs Frederick & Mueller updated the Board on the following.
 - a. SB 339 & 484 Bill Summary – Committee Co-Chairs Frederick & Mueller reported to the Board that the Board established a COVID-19 questionnaire during last month's Board meeting due to the possibility of COVID-19 cases being filed as a disability with the System. Since then, two legislative bills have been filed, HB 339 and HB 484. A Legislative Committee meeting will be scheduled to discuss how this will impact the System and how the Board will address it. HB 339 has a great chance of passing with the broad support of law enforcement. Legislative Committee Chair Frederick stated that he sent out information on HB 29 regarding a portal being established for the posting of salaries of pension systems. The Board is not taking a position on this bill. HB 349 is in regard to the two (2) Firefighters pension systems combining into one system but with a 2-tiered pension system. The Board will probably not take a stand on this, but the Board needs to watch for possible amendments or committee substitutes where something that impacts the Police Retirement System that is added to this legislation. The System's lobbyist has been notified.
15. Internal Control & Compliance Committee Report – Committee Chairman Rice stated that there are numerous resumes received for the receptionist's position and they are currently being reviewed for qualified candidates.
16. Pre-retirement/Veterans' Affairs Committee Report – Committee Chairman Wiegert had nothing to report in Open Session.
17. Matters Pending – There are no items on the matters pending list.

Chairman Leopold moved to Item 2 at this time.

2. Reports from Legal Counsel – Ms. Kelly Camilleri, Assistant City Counselor, had nothing to report in Open Session.
18. Adjournment of Meeting

MOTION

Chairman Leopold moved to adjourn the Meeting.

Motion was seconded by Trustee Rice; and upon vote, the following recorded:

Yes - 7

No – 0

Meeting adjourned at 1:13 P.M.

Submitted to the Board of Trustees by Mark Lawson, Executive Director.

Minutes prepared by Kelly Briley and Mark Lawson.

BOARD APPROVED: 07/28/21

ATTEST:



Wallace K. Leopold
Chairman, Board of Trustees



Leo G. Rice
Secretary, Board of Trustees