

February 22, 2023

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, February 22, 2023 at 9:00 A.M. via in-person and 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 9:02 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
Det. Leo G. Rice (via Zoom and arrived in person at 9:19 A.M.)
Lt. Sean M. Reape
Det. Samuel G. Zouglas, Retired
Lt. Col. Gerald J. Leyshock, Retired
Sgt. John L. McLaughlin, Retired

The terms of office for Mayoral Appointees Ann M. Hunter and Richard L. Kisner as Trustees and members of this Board expired on September 30, 2022. As of this date, Mayor Tishaura O. Jones has appointed one seat that fills the two Mayoral appointed members whose terms would have commenced on October 1, 2022, and the Board is an eight-member Board until the additional Mayoral Appointment is made.

Others present were:

Mr. Mark Lawson, Executive Director
Ms. Barb Birkicht, Associate City Counselor (via Zoom)
Mr. Steve Kratky, Assistant City Counselor (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 individually identifiable personnel records, performance ratings or other records pertaining to employees or applicants for employment, as provided by Section 610.021(13) of the Missouri Revised Statutes.

Motion was seconded by Trustee Leyshock.

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			
Chairman Leopold			
Lt. Col. Leyshock			
Sgt. McLaughlin			
Lt. Reape			
Det. Rice			
Det. Zouglas			

Motion passed 8 to 0.

Chairman Leopold temporarily adjourned Open Session at 9:05 A.M.

Open Session resumed at 9:43 A.M.

Chairman Leopold moved to item 4a at this time.

- 4. Approval of Fiscal Year 2022 Actuarial Documents – Mr. Michael Noble and Mr. Patrick Nelson with Cheiron were present on this date to discuss and answer questions regarding the following:

- a. Draft of the October 1, 2022 Actuarial Valuation Report from Cheiron – Copies of the following reports were included in the agenda documents on the secured portal:

- (1) Presentation Booklet “Actuarial Valuation as of October 1, 2022 and GASB 67/68”
- (2) “Actuarial Valuation Report as of October 1, 2022”
- (3) “GASB 67/67 Report as of September 30, 2022”

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

- The number of active (including DROP) members has declined 19 percent since 2010 with most of this decline happening in the past two years.

- This is a mature plan with a larger retiree population than active.
- Funded ratio is 79.0%, down from last year's 79.8%.
- Current funding method is the aggregate (rolling) method.
- Current DROP interest rate is -11.2%, down from last year's 21.4%.
- Required City Contribution increased from \$37,289,426 to \$37,893,571.

Chairman Leopold called for a break at 10:50 A.M.

Meeting resumed at 11:02 A.M.

Following the Board's review and approval, the Actuarial Valuation Report for October 1, 2022 will be prepared and will be presented to the Board during the March 29, 2023 regular monthly meeting.

MOTION

Chairman Leopold moved that the Board approve the Draft of the October 1, 2022 Actuarial Valuation Report as presented by Cheiron.

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

Yes - 8

No – 0

Motion passed 8 to 0.

MOTION

Chairman Leopold moved that the Board approve the Draft of the GASB 67/68 Report as of September 30, 2022 as presented by Cheiron.

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

Yes - 8

No – 0

Motion passed 8 to 0.

- b. Approval of DROP Interest Rate – A copy of the October 1, 2022 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 approve October 1, 2022 DROP Interest Rate of -11.2% as reported in the letter dated February 17, 2023 from Mr. Patrick Nelson with Cheiron.

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

Yes - 8

No – 0

Motion passed 8 to 0.

- 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 of St. Louis \$37,893,571 as reported from Mr. Patrick Nelson with Cheiron.

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

Yes - 8

No – 0

Motion passed 8 to 0.

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

5. Principal Global Investors – Mr. William Grayson was present on this date to update 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 secure portal.

Trustee Rice left the meeting at 11:48 A.M.

6. Investment Committee Report – Committee Chairman Leopold reported to the Board.

- 1) Marquette Associates Report – Mr. Brian Goding and Mr. Tom Latzke with Marquette were present in person on this date and reported to the Board on the following:

- a. Fourth Quarter Performance Report and January 2023 Executive Investment Summary Report – A copy of said report is part of the Marquette investment report and was included in the agenda documents on the secure portal. While walking the Board through the report, Mr. Goding and Mr. Latzke answered questions from the Board and noted the market value of the Fund was \$829,966,479 as of January 31, 2023.

- b. Capital Call/Distribution Updates:

- 1) NB Secondary Opportunities Fund III
Distribution: \$24,919.90 (January 27, 2023)
- 2) Siguler Guff
Distribution: \$153,047.83 (January 25, 2023)
- 3) Ullico Infrastructure Taxable Fund
Capital Call: \$4,000,000.00 (February 24, 2023)
- 4) EnTrust Global Special Opportunities Fund IV LP
Distribution: \$239,548.00 (January 31, 2023)

- c. Acceptance of January 31, 2023 Investment Report – for informational purposes – A copy of the January 31, 2023 Market Value Report was included in the agenda documents on the secure portal.

MOTION

Chairman Leopold moved that the Board approve the January 31, 2023 Market Value Report as presented.

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

Yes – 7

No – 0

Motion passed 7 to 0.

Chairman Leopold moved to Item 2 at this time.

2. Reports from Legal Counsel – Ms. Barb Birkicht, Associate City Counselor, reported to the Board the RFP for Hearing Officer is of appropriate form and will send it to Director Lawson to further execute. Ms. Birkicht also reported she has tracked down the blocking permit that was submitted and she has been advised that an encroachment permit is required due to being a permanent blocking fixture. She will forward the encroachment form to Director Lawson, and he will complete and submit to the appropriate department for approval.

Trustee Fitzsimmons inquired about the RFP for auditing services and Ms. Birkicht will submit her edits to Trustee Fitzsimmons by the end of the week.

3. Chairman's Report – Chairman Leopold had nothing to report in Open Session.

Chairman Leopold moved to Item 7a at this time.

7. Reports from the Executive Director – Director Lawson reported to the Board on the following:
 - a. 2023-2024 Appropriations Budget – For the Board's review and approval, a copy of the proposed 2023-2024 Appropriations Budget for the City's Fiscal Year Ending June 30, 2024 was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board approve the 2023-2024 Appropriations Budget for the City's Fiscal Year ending June 30, 2024.

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

Discussion ensued.

Yes - 7 No – 0

Motion passed 7 to 0.

- b. Policy Governing Requests by Candidates for Elected Trustee Positions for Addresses

In keeping with the Board's Policy Ch. XVI of the Trustees' Policy Manual, the vote on this motion will be taken on this date.

For the Board's review, a copy of the revised Trustee Election Policy, Section 3.09.04 of the Trustees' Police Manual, to be voted on was attached.

MOTION

Chairman Leopold moved that the Board approve revised Trustee Election Policy, Section 3.09.04 of the Trustees' Police Manual.

Motion was seconded by Trustee Reape.

Discussion ensued.

Chairman Leopold withdrew his motion.

Trustee Reape withdrew his second.

MOTION

Chairman Leopold moved that the Board send Trustee Election Policy, Section 3.09.04 back to the Personnel & Policy Committee for further review and revisions.

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

Yes - 7 No – 0

Motion passed 7 to 0.

- c. City of St. Louis Employees' Retirement System – Contribution Letter – For the Board's review, a copy of the contribution letter was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board accept and approve the City of St. Louis Employees' Retirement System – Contribution Letter as presented.

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

Yes – 7 No – 0

Motion passed 7 to 0.

- d. Formal Hearing of Lt. Alana Hauck Appeal of Disability Determination – Set for Wednesday, March 8, 2023 at 1:30 p.m.
- e. Disability Attorney – Disability Committee Chairman Zouglas reported Mr. Steve Kratky is resigning from the City Counselor's Office and his last day is March 10, 2023. The Disability Committee recommends in the interim, Mr. Zachary McMichael with Capes Sokol Law Firm services be engaged for the Formal Hearing of Lt. Alana Hauck and Informal Hearing for P.O. Luther Hall until a replacement is assigned to the System. Director Lawson has spoken with the Deputy City Counselor and advised him that a replacement is needed.

MOTION

Chairman Leopold moved that the Board accept the recommendation of the Disability Committee to engage the services of Capes Sokol Law Firm in the interim for disability hearing needs at a billing rate of \$250.00 per hour until a new City Counselor is assigned to the System.

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

Yes – 7

No – 0

Motion passed 7 to 0.

- f. RFP for Hearing Officer – The RFP will be posted to the System's website and advertised in the Missouri Lawyer's Weekly.
 - g. Request to City of St. Louis for Blocking Permit on Sidewalk Near Gate Entrance – For the Board's review, a copy of the application for blocking permit was included in the agenda documents on the secure portal. This item was addressed in Item 2.
 - h. RFP for Auditing Services – Ms. Birkicht, Associate City Counselor will complete edits and submit to Trustee Fitzsimmons by the end of the week.
8. Approval of the February 2023 Informational Section – For the Board's review and approval, included in the agenda documents on the secure portal was a copy of the February 2023 Informational Section.

MOTION

Chairman Leopold moved that the Board approve the February 2023 Informational Section as presented.

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

Yes – 7

No – 0

Motion passed 7 to 0.

9. Approval of the January 31, 2023 Budget Report – For approval by the Board, a copy of the January 31, 2023 Budget Report, including the actual and forecasts expenses, was included in the agenda documents on the secure portal.

MOTION

Chairman Leopold moved that the Board approve the January 31, 2023 Budget Report as presented.

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

Chairman Leopold reported he named Trustee Sean Reape to be the System's representative for the MAPERS Board of Directors.

Yes – 7

No – 0

Motion passed 7 to 0.

10. Open Forum Session – Guests who had signed up in advance with the Executive Director had first priority to address the Board. All other guests who wished to address the Board waited until recognized by the Chair. In the interest of time, organizations were asked to appoint a spokesperson; and presentations be limited to five (5) minutes.
11. Upcoming Board Meetings – Below is a list of the scheduled Board meetings:
March 29, 2023, 9:00 A.M. - Regular Monthly Board
April 26, 2023, 9:00 A.M. - Regular Monthly Board
May 31, 2023, 9:00 A.M. - Regular Monthly Board
June 28, 2023, 9:00 A.M. - Regular Monthly Board
July 26, 2023, 9:00 A.M. - Regular Monthly Board
August 30, 2023, 9:00 A.M. - Regular Monthly Board
September 27, 2023, 9:00 A.M. - Regular Monthly Board
12. Building Committee Report – Committee Chairman Reape reported to the Board.
- a. Fence/Gate for PRS Parking Lot – nothing to update in Open Session.
13. Disability Committee Report – Committee Chairman Zouglas had nothing to report in Open Session.
- a. Disability Litigation Attorney to Handle Disability Matters on Temporary Basis – the Disability Committee recommends retention of Capes Sokol to assist in some pending matters. This item was addressed during Item 7e.

The following disability applications are pending: P.O. William Triplett; P.O. Shawn Cleveland; P.O. Jeanine Waters; P.O. James Frost; P.O. Marcin Zajac; P.O. Joshua Witcik; P.O. Luther Hall, Jr.; P.O. Robert T. King; Lt. Alana Hauck.

14. Legal Committee Report – Committee Chairman Frederick requested from Director Lawson to prepare a list of all legal representations that the System is engaged with. Committee Chairman Frederick will schedule a Legal Committee meeting once list is completed and supplied.
15. Legislative Committee Report – Committee Chairman Frederick will report to the Board.
 - a. Senate Committee Substitute for Senate Bill 78 (SCSSB 78) – Director Lawson reported he was made aware of a proposed committee substitute regarding SB 78. There is a proposal to take the Airport Police and bring them under the umbrella of the SLMPD. Currently, the Airport Police are part of the Employee Retirement System which allows them to pay into Social Security this System does not. There is nothing on the calendar to hear for this Bill.
 - b. House Bills on Returning Control of SLMPD to State – there were six Bills taken up at the same time. Several people testified for and against them. There was no further action on these Bills.
 - c. HB 1105 (Changes to PRS Provisions, Raising Mandatory Retirement Age to 70) – Legislative Committee Chairman Frederick reported the Legislative Committee decided there will be no action taken at this time.
16. Personnel & Policy Committee Report – Committee Chairman Rice had nothing to report in Open Session.
17. Internal Control & Compliance Committee Report – Committee Chairman Rice had nothing to report in Open Session.
18. Pre-retirement/Veterans' Affairs Committee Report – Committee Chairman Leyshock reported to the Board
 - a. Pre-Retirement Seminar – Was held on February 15, 2023, 8:00 A.M. – 4:00 P.M. - . Committee Chairman Leyshock stated there were 25 members that attended the pre-retirement seminar that was held on February 15, 2023. He and Director Lawson are working to schedule another seminar in the fall 2023.
19. Matters Pending – There are no items on the matters pending list.
20. Adjournment of Meeting

MOTION

Chairman Leopold moved to adjourn the Meeting.

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

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Yes - 7

No - 0

Meeting adjourned at 1:16 P.M.

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

Minutes prepared by Kelly Briley and Mark Lawson.

BOARD APPROVED: 03/29/23

ATTEST:



Wallace K. Leopold
Chairman, Board of Trustees



Leo G. Rice
Secretary