

April 27, 2022

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, April 27, 2022 at 8:30 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 8:30 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
Sgt. Michael A. Frederick, Retired
Ms. Ann Hunter
Ms. Beverly Fitzsimmons, Deputy Comptroller (via Zoom)
Capt. Michael J. Mueller (via Zoom - arrived at 8:42 A.M.)
Det. Samuel G. Zouglas, Retired
P.O. George P. Weindel, Retired
Mr. Richard Kismer

Trustee Leo Rice was absent.

Others present were:

Mr. Mark Lawson, Executive Director
Ms. Rebecca Wright, Associate City Counselor (via Zoom)
Mr. Steve Kratky, Assistant City Counselor (via Zoom – arrived at 8:48 A.M.)

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;

Motion was seconded by Trustee Zouglas.

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 - 7	No - 0
Sgt. Frederick			
Ms. Hunter			
Mr. Kismer			
Chairman Leopold			
P.O. Weindel			
Det. Zouglas			

Motion passed 7 to 0.

Chairman Leopold temporarily adjourned Open Session at 8:33 A.M.

Open Session resumed at 9:30 A.M.

Chairman Leopold moved to agenda item 2 at this time.

2. Reports from Legal Counsel – Ms. Rebecca Wright, Associate City Counselor, and Mr. Steve Kratky, Assistant City Counselor, had nothing to report in Open Session.
3. Approval of the Fiscal Year 2021 Annual Audit Report from Sikich LLP – Mr. Robert B. Offerman and Ms. Victoria Dailey with Sikich LLP presented the results of the System's annual audit for the fiscal year ending September 30, 2021. With no changes to the draft reports, Sikich LLP have submitted the following final reports for the Board's review and approval on this date; and copies of each were included in the agenda documents on the secure portal:

Copies of the following FY 2021 Financial Statements drafts as prepared by Sikich LLP were included in the agenda documents on the secure portal for the Board's review and approval:

- a. Auditor's Report to the Board as of September 30, 2021

MOTION

Chairman Leopold moved that the Board approve the Auditor's Report as presented to the Board as of September 30, 2021.

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

Yes – 8	No – 0	<u>Motion passed 8 to 0.</u>
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b. Annual Financial Report as of September 30, 2021

MOTION

Chairman Leopold moved that the Board approve Annual Financial Report as presented to the Board as of September 30, 2021.

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

Yes – 8

No – 0

Motion passed 8 to 0.

c. Management Letter Comments as of September 30, 2021

MOTION

Chairman Leopold moved that the Board approve the Management Letter Comments as presented to the Board as of September 30, 2021.

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

Yes – 8

No – 0

Motion passed 8 to 0.

d. Condensed Financial Statements as of September 30, 2021

MOTION

Chairman Leopold moved that the Board approve the Condensed Financial Statements as presented to the Board as of September 30, 2021.

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

Yes – 8

No – 0

Motion passed 8 to 0.

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

5. 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 had to wait until recognized by the Chair. In the interest of time, organizations were asked to appoint a spokesperson; and presentations were limited to five (5) minutes.

Chairman Leopold moved to item 10a at this time.

10. Reports from the Executive Director – Director Lawson reported to the Board.

a. Handbook Update (A copy of the revised version of the section titled "Reaching Service Retirement Eligibility" was included in the agenda documents on the secure portal.) Director Lawson explained there was some incompleteness of the language

regarding how an officer goes about the process of staying in service as an officer passed the age of 65 in the member handbook. The proposed revision is to make clear that the request to stay past the mandatory retirement age of 65 must come from the Chief of Police before the Board of Trustees can act.

MOTION

Chairman Leopold moved that the Board approve the revision to the verbiage in the member's handbook terms on the eligibility to retire.

Motion was seconded by Trustee Zouglas

Trustee Frederick moved to amend the motion to include revised language on the System's website in the member's handbook and include as new information on the website.

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

Yes - 7

No – 0

Abstain - 1

Motion passed 8 to 0 to 1.

- b. Disability Benefits Specialist – Director Lawson reported a number of resumes were collected and several interviews were held over the last two weeks. From the pool of candidates, three finalists were selected for the position. The second interviews are scheduled for Tuesday, May 3, 2022 with the Personnel & Policy Committee. Director Lawson requested from the Board that a Special Board meeting be held immediately following the committee meeting for purposes of ratifying the selected candidate(s) so an offer can be made to the candidate(s). Chairman Leopold agreed and scheduled the Special Board meeting.

Chairman Leopold moved to item 9 at this time.

9. Cybersecurity Upgrade Options – The cybersecurity insurance policy is set to renew, and the insurance companies are wanting proof of certain securities in place before issuing the insurance policy. A way to do this is to engage Sikich LLP to conduct a cybersecurity risk assessment.

MOTION

Chairman Leopold moved that the Board contact Sikich LLP to determine the cost of a cybersecurity risk assessment for the Police Retirement System of St. Louis.

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

Yes – 8

No – 0

Motion passed 8 to 0.

Chairman Leopold moved to item 6 at this time.

6. BlackRock Global Emerging Markets Fundamental Active Equity– Ms. Jennifer Delaney, Managing Director and Mr. Kierin Mukerjee, Vice President presented 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 secure portal.
7. PetroCap Partners – Mr. Lane Britain, Partner and Mr. Marc Manzo, Partner presented via Zoom on this date and updated the Board on the status of PetroCap and answered questions from the Board. A copy of the presentation was included in the agenda packets on the secure portal.

Trustee Kismer left meeting at 11:00 A.M.

8. Investment Committee Report – Committee Chairman Leopold reported to the Board.
 - a. Marquette Associates Report – Mr. Brian Goding and/or Mr. Tom Latzke with Marquette were present in person on this date and reported to the Board on the following:
 - 1) March 2022 Executive Investment Summary Report – A copy of said report was 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 \$880,872,992.00 as of March 31, 2022. They reminded the Board of the 2022 Marquette Symposium being held on September 23, 2022 at the Union League Club in Chicago, Illinois.
 - b. Capital Call/Distribution Updates:
 - 1) Siguler Guff
Distribution: \$6,000.00 (March 25, 2022)
 - 2) NB Secondary Opportunities Fund III
Distribution: \$68,672.29 (March 31, 2022)
 - 3) Hancock Timberland and Farmland Fund LP
Distribution: \$72,360.88 (March 31, 2022)
 - 4) Ullico Infrastructure Taxable Fund
Distribution: \$424,491.75 (April 1, 2022)
 - 5) ElmTree Fund IV GP, LLC
Distribution: \$98,590.10 (April 1, 2022)
 - 6) ElmTree Fund IV GP, LLC
Capital Call: \$430,056.87 (April 21, 2022)

Point of Information was made by Trustee Frederick:

HB 2913 is on the Missouri House calendar and is sponsored by Representative Dean Plocher and he firmly believes Mr. Plocher will find an amendment vehicle to move the Bill forward.

Chairman Leopold inquired if Marquette Associates will ask other public funds they consult if they offer some provision that indemnifies or arranges payment in connection with receiving a subpoena to collect securities' records. Director Lawson requested the Pension System's investment managers' contracts for review purposes only.

- c. Acceptance of March 31, 2022 Investment Report – for informational purposes – A copy of the March 31, 2022 Market Value Report was included in the agenda documents on the secure portal.

MOTION

Chairman Leopold moved that the Board accept the March 31, 2022 Investment Report as presented.

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

Yes – 7

No – 0

Motion passed 7 to 0.

Trustee Mueller left the meeting at 11:30 A.M.

- 11. Approval of March 30, 2022 Open Session Minutes – For the Board's review and approval, copies of the Open Session Minutes for the March 30, 2022 Board meeting was included in the agenda documents on the secure portal.

MOTION

Chairman Leopold moved that the Board approve the March 30, 2022 Open Session Minutes as presented.

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

Yes - 5

No – 0

Abstain - 1

Motion passed 5 to 0 to 1.

- 12. Approval of the April 2022 Informational Section – For the Board's review and approval, included in the agenda documents on the secure portal was a copy of the April 2022 Informational Section.

MOTION

Chairman Leopold moved that the Board approve the April 2022 Informational Section as presented.

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

Trustee Frederick stated resignations are direct payouts of the System's bottom line. They have a substantial cost of the overall balance sheet of the System.

Yes – 6

No – 0

Motion passed 6 to 0.

13. Approval of the March 31, 2022 Budget Report – For approval by the Board, a copy of the March 31, 2022 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 March 31, 2022 Budget Report as presented.

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

Discussion ensued.

Yes – 6

No – 0

Motion passed 6 to 0.

14. Upcoming Board Meetings – Below is a list of the scheduled Board meetings:

May 25, 2022, 8:30 A.M. – Regular Monthly Board Meeting

June 22, 2022, 8:30 A.M. – Regular Monthly Board Meeting

July 27, 2022, 8:30 A.M. – Regular Monthly Board Meeting

August 31, 2022, 8:30 A.M. – Regular Monthly Board Meeting

September 28, 2022, 8:30 A.M. – Regular Monthly Board Meeting

October 26, 2022, 8:30 A.M. – Regular Monthly Board Meeting

The May 25, 2022 Board meeting will begin at 10:30 A.M. to permit the Executive Director and Board members to attend the Memorial Breakfast.

15. Building Committee Report –Committee Chairman Leopold reported to the Board Western Construction will begin work next week on the building.
16. Personnel & Policy Committee Report – In the absence of Committee Chairman Rice, Chairman Leopold stated nothing to report in Open Session.
17. Disability Committee Report – Committee Chairman Weindel had nothing to report in Open Session.
 - a. P.O. Robert T. King, Applicant for Service-Connected Accidental Disability – Applicant has requested a Formal Hearing. Going through the pre-hearing preparation.

18. Legal Committee Report – Committee Chairman Zouglas had nothing to report in Open Session.
19. Legislative Committee Report – Committee Co-Chairs Frederick & Mueller reported HB2432 – the return of the SLMPD to the State was voted out of the Committee. The Bill does not have any language regarding the Pension System. Legislation for the mandatory retirement age of 65 has not had a hearing. However, Co-Chairman Frederick spoke with Mr. Bardgett, and it was his belief this will turn up as an amendment and pass the session.
20. Internal Control & Compliance Committee Report – In the absence of Committee Chairman Rice, Chairman Leopold stated nothing to report in Open Session.
21. Pre-retirement/Veterans' Affairs Committee Report – Committee Chairman Zouglas stated he will schedule a committee meeting on Tuesday, May 3, 2022 immediately following the Special Board meeting.
22. Matters Pending – There are no items on the matters pending list.
23. Adjournment of Meeting

MOTION

Chairman Leopold moved to adjourn the Meeting.

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

Yes - 6

No – 0

Meeting adjourned at 12:04 P.M.

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


Minutes prepared by Kelly Briley and Mark Lawson.

BOARD APPROVED: 05/25/2022

ATTEST:



Wallace K. Leopold
Chairman, Board of Trustees



Mark Lawson
Executive Director