

October 30, 2019

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

The Open Session of the regular monthly meeting of the Board of Trustees of The Police Retirement System of St. Louis was held on Wednesday, October 30, 2019 at 9:00 A.M. at 2020 Market Street to discuss matters concerning this System. The following Board members were present:

Det. Wallace K. Leopold, Chairman
Sgt. Michael A. Frederick, Retired, Secretary
Ms. Beverly Fitzsimmons, Deputy Comptroller
Capt. Michael J. Mueller
Lt. Michael J. Anderson, Retired
Sgt. Gary R. Wiegert, Retired
Ms. Ann M. Hunter
Mr. Richard Kismer

Trustee Mickey A. Owens was absent.

Others present were:

Mr. Stephen G. Olish, Executive Director
Mr. Mark Lawson, Executive Director
Ms. Rebecca Wright, Associate City Counselor
Ms. Megan Bruyns, Assistant City Counselor
Mr. Thomas Stoff, Special Media Consultant
Lt. Cheryl Orange, St. Louis Metropolitan Police Department (Arrived at 12:30 P.M.)
Ms. Jane Susman, Budget Division, City of St. Louis

Chairman Leopold called the meeting to order at 9:00 A.M. and began the meeting with the Pledge of Allegiance followed by a moment of silence for the fallen officers and widows and for blessings on all active and retired officers.

1. Presentation of Credentials

- a. Newly-elected Active Trustee Michael J. Mueller whose term of office began on October 1, 2019 presented his credentials at this time.
- b. Newly-elected Retiree Trustee Gary R. Wiegert whose term of office began on October 1, 2019 presented his credentials at this time.

MOTION

Trustee Frederick moved that the Board accept credentials of Trustee Michael J. Mueller and Trustee Gary R. Wiegert as presented on this date.

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

Yes - 8 No - 0 Motion passed 8 to 0.

2. Election of Board Secretary for period of FY2019/20 - Chairman Leopold nominated Trustee Michael A. Frederick to serve as Board Secretary for the FY2019/20 and called for other nominations. There were no additional nominations.

MOTION

Chairman Leopold moved that Trustee Michael A. Frederick serve as Board Secretary for the period of FY2019/2020.

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

Yes - 7 No - 0 Motion passed 7 to 0 to 1.
Abstain - 1 (Trustee Frederick)

3. Roll Call Vote in open session to temporarily adjourn and hold closed meeting

MOTION

Chairman Leopold moved for a Roll Call Vote in Open Session to temporarily adjourn Open Session and hold a Closed Meeting pursuant to the following:

- a. Proceedings to discuss matters involving litigation and causes for legal action as provided by Section 610.021(1) of Revised Statutes of Missouri.
- b. Proceedings to discuss matters involving leasing, purchase or sale of real estate as provided by Section 610.021(2) of Revised Statutes of Missouri.
- c. Proceedings involving hiring, firing, disciplining or promotion of personnel as provided by Section 610.021(3) of Revised Statutes of Missouri.
- d. Proceedings involving mental or physical health of Members as provided by Section 610.021(5) of Revised Statutes of Missouri.
- e. Proceedings to discuss matters involving sealed bid and related documents or documents related to a negotiated contract as provided by Section 610.021(12) of Revised Statutes of Missouri.
- f. Proceedings to discuss matters involving individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for

employment as provided by Section 610.021(13) of Revised Statutes of Missouri

- g. Proceedings to discuss matters involving litigation and causes for legal action as provided by Section 610.022(1) of Revised Statutes of Missouri
- h. Records that identify the configuration of components or the operation of a computer, computer system, computer network, or telecommunications network, and would allow unauthorized access to or unlawful disruption of a computer, computer system, computer network, or telecommunications network of a public governmental body as provided by Section 610.021(21) of Revised Statutes of Missouri

Motion was seconded by Trustee Frederick.

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

	<u>Yes</u>	<u>No</u>		
Sgt. Frederick	0		Yes - 8	No - 0
Mr. Kismer				
Capt. Mueller				
Ms. Hunter				
Lt. Anderson				
Chairman Leopold				
Sgt. Wiegert				
Ms. Fitzsimmons				

Motion passed 8 to 0.

Chairman Leopold temporarily adjourned the Open Session meeting at 9:03 A.M.

Open Session meeting resumed at 10:25 A.M., and Chairman Leopold called for a Break at this time.

Meeting resumed at 10:35 A.M.

Ms. Jane Susman arrived at 10:35 A.M.

- 5. Cyber Liability Insurance Report - This item was passed down from the September 25, 2019 Board meeting for further information. The following documents, also carried over from the September 25th meeting, were included in the agenda documents on the secured portal:
 - a. Email dated September 16, 2019 from Mr. Nick LaRosa with CMIT Solutions
 - b. Email dated September 16, 2019 from Mr. Jim Concannon with Crane Agency
 - c. FAQ Cyber Liability
 - d. Cyber Liability: Claims Examples

Mr. Jim Concannon with Charles Crane Insurance Agency and Mr. Adam Connor with RPS (Underwriter), were present to discuss the System's insurance coverage and passed out copies of their presentation information, "Commercial Insurance Summary" and "Cyber & Privacy Liability-Increased Limits Options" (on file in the office). After introducing himself and Mr. Connor, Mr. Concannon walked the Board through the System's current insurance policies and coverages in detail as reported in the "Commercial Insurance Summary" report answering questions as he went along. During discussion, the following highlights were noted:

- The System does not have coverage for civil unrest.
- The Owners & Contractors Protective Liability policy will be dropped when the Gilleylen project is completed.
- The System's cyber fraud coverage for the first and third parties is currently limited to \$2 million dollars and includes every line of coverage offered.
- All categories in the coverage are included in the general policy and are not add-on or a la carte items.

Mr. Concannon recommended increasing the cyber fraud up to \$5 million and added that he and Mr. Connor will obtain and provide additional details to Director Lawson for further reporting to the Board. Mr. Connor noted in addition, that having an individual records count, or an estimate of how many records could be exposed including both hard copy and electronic records, would be very helpful to him and Mr. Concannon. Mr. Connor added that each person is an individual record, not how many documents they have.

Chairman Leopold asked Mr. Concannon to address the premium summary, noting a big increase in the \$5,000,000.00 from the \$2,000,000.00 and \$3,000,000.00 limits. Mr. Connor replied that some premium reductions are anticipated with this carrier in the next month or two, and these rates should drastically come down.

In closing Mr. Concannon asked Director Lawson to provide him with an individual record count of both paper and electronic records so they can move forward on getting rates for increasing cyber fraud coverage for the System.

Chairman Leopold thanked Mr. Concannon and Mr. Connor for their report, and they left the meeting.

4. Approval of New Resolutions - Due to new members on the Board and a new Executive Director, copies of the following signature forms were included in the agenda documents on the secured portal:

- a. FY2019-2020 Authorized Signature Form for Payroll Matters

b. FY2019-2020 Authorized Signature Form for Expenditures and Vouchers

Chairman Leopold passed around the FY2019-2020 authorized signature forms for payroll matters and for expenditures and vouchers at this time for the Board members to sign.

Ms. Rebecca Wright left the meeting at this time - 11:34 A.M.

Mr. Brian Goding and Mr. Tom Latzke arrived at this time - 11:34 a.m.

6. Investment Committee Report - Chairman Leopold reported to the Board:

a. Entrust Capital Review - Ms. Sophia Mullen, Senior Managing Director of Investment Research, and Mr. Tyler Alcorn, Managing Director of Business Development, from Entrust Capital were present to update the Board on the System's portfolios managed by Entrust and to answer questions from the Board. Below is information regarding Entrust's assets as provided by Entrust:

- (1) Total firm assets: \$19.1 Billion*
- (2) Total product assets in the strategies that the St. Louis PRS are invested in**
 - Special Opportunities Fund III: ~\$1.97 Billion
 - Special Opportunities Fund IV: ~\$1.08 Billion
 - Diversified: ~\$408 Million

* As of June 30, 2019; may be based on estimates and includes assets under advisement, and \$1.8 billion of mandates awarded but not yet funded.

** Provided for the fund as a whole. Special Opportunities figures are provided on Committed Capital. The Police Retirement System of St. Louis is invested in Special Opportunities Fund III LP Class A, Special Opportunities Fund IV LP Class A, and Diversified Fund Class X.

Mr. Alcorn passed out copies of their presentation booklets (on file in the office) as he and Ms. Mullen introduced themselves to those present. Mr. Alcorn thanked the Board for the Board's continued confidence in Entrust and provided an overview of the firm. Ms. Mullen then provided the following highlights regarding Entrust's strategy:

Entrust has a long duration strategy that ultimately just invests in equities and credit in companies. What makes it a co-investment is simply the types of companies they are targeting and the approach in which they are targeting these companies. Entrust also invests in companies where they have some level of influence to drive events to happen that will create value for Entrust. In order to be more flexible in responding to the market environment, the

Entrust portfolio has no pre-determined parameters, such as 60% equities and 40% bonds. The structure of the strategy is commitment and draw down, and funds are called for placement in the market as Entrust sees attractive opportunities for investments. In addition, fees are only charged on the money that has been invested in the market.

With no further questions, Chairman Leopold thanked Ms. Mullen and Mr. Alcorn for their presentation, and they left the meeting at this time.

- b. Marquette Associates Report - Mr. Brian Goding and Mr. Tom Latzke with Marquette were present and reported to the Board on the following:

- (1) Executive Investment Summary Report for September 30, 2019 - Copies of the presentation booklet, which included the 3Q 2019 Market Environment, the current September 30, 2019 Executive Investment Summary Report with the Asset Allocation Sheet, the Outsourced CIO Services Overview and a proposed Investment Policy Guidelines update, were passed out on this date (on file in the office). Mr. Goding and Mr. Latzke walked the Board through the reports noting the following highlights:

- In September large cap equities performed better than small-cap and mid-cap stocks. Growth continues to outperform value. Non-US equities underperformed due to the value portion of the strategy, and the underperformance of fixed income for the year is due to the change in interest rates.
- Brandes is in the process of being terminated and will not be on the next report. CenterSquare is having organizational issues and will be the source of funds used to fund the timber and farming investments in March 2020.
- Market value of total fund as of September 30, 2019 is \$775,910,599.00.
- The rate of return of the total portfolio for the month ending September 30, 2019 was +1.2%, matching the benchmark's +1.2%. The System's rate of return for the year-to-date is 12.4%, slightly above the benchmark's +11.8%.
- The total fund is within 5% of the target so there were no suggestions at this time regarding changes to the current asset allocation.

Lt. Cheryl Orange arrived for the meeting at 12:30 P.M.

- (2) OCIO Discretionary Committee Update - Mr. Goding and Mr. Latzke provided a brief explanation of outsourced chief investment officer (OCIO) services for those members new to the Board and then walked the Board through the Discretionary Committee Report noting that the Discretionary Committee has completed the following since July 1, 2019:

- Updated Asset Allocation
- Replaced PNC with Northern Trust Russell 2000 Growth Index Fund
- Replaced PIMCO Global Fixed Income with Metlife/Logan Circle EMD
- Replaced Wellington Large Cap with GQC Partners LC
- Replaced Brandes ISC with Wellington ISC
- Committed to Siguler Guff Small Buyout Opportunities Fund IV
- Completed various rebalance actions and cash management

- (3) Proposed Updated Investment Policy - Mr. Goding and Mr. Latzke noted that included in the presentation booklet was a redline version of the proposed updates to the November 18, 2015 Investment Policy Guidelines to bring the document up to date with current investment strategies. Mr. Goding and Mr. Latzke walked the Board through those updates.

Director Lawson suggested that if it is the desire of the Board, the Board can make and second a motion to accept the updated policy but the vote must be tabled to the next monthly meeting to be in compliance with the Board's Policy XVI of the Trustees' Policy Manual.

MOTION

Chairman Leopold moved that the Board accept the updated Investment Policy Guidelines as submitted on this date by Marquette Associates.

Motion was seconded by Trustee Anderson.

The vote was deferred to the next monthly meeting in compliance with Board Policy XVI.

Trustee Wiegert stepped out of the meeting at 12:52 P.M.

Investment Committee Chairman Leopold announced the members of the Investment Committee will be Trustees Frederick, Owens, Mueller and Anderson. Committee Chairman Leopold asked that the

Committee members become familiar with the investment rate of return for later discussions.

In closing Mr. Latzke stated that Commerce will be present in November for its annual update. With no questions from the Board, Committee Chairman Leopold thanked Mr. Goding and Mr. Latzke who left the meeting at this time.

Mr. Stoff left the meeting at this time - 12:54 P.M.

MOTION

Chairman Leopold moved that the updated Investment Policy Guidelines be submitted to outside legal counsel for review.

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

Yes - 7 No - 0 Motion passed 7 to 0.

c. Capital Call/Distribution Updates: The following was presented for the information of the Board and required no Board action:

- (1) HarbourVest - Dover Street IX L.P.
Identical Deemed Capital Call & Distribution: 2% Capital Call was completely offset by deemed distribution of \$89,682,132.00. (September 30, 2019)
- (2) Ullico Infrastructure Taxable Fund
Cash Distribution: \$254 609.25 (October 1, 2019)
- (3) PetroCap Partners II, L.P.
Net Distribution: \$274,450.65 (October 4, 2019)
- (4) Entrust Permal Special Opportunities Fund IV L.P.
Capital Call: \$579,479.00 (October 7, 2019)
- (5) PetroCap Partners III, L.P.
Net Distribution: \$78,465.97 (October 22, 2019)
- (6) HarbourVest - Dover Street IX L.P.
Cash Distribution: \$523,341.00 (October 30, 2019)

7. Acceptance of September 2019 Investment Reports, for informational purposes - A copy of the September 30, 2019 Market Value Report was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board accept the September 2019 Monthly Investment Report as presented.

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

Yes - 7

No - 0

Motion passed 7 to 0.

8. Reports from Legal Counsel - Ms. Megan Bruyns, Assistant City Counselor, stated that she had nothing to report in Open Session.
9. Open Forum Session - Chairman Leopold acknowledged Ms. Susman and Lt. Orange and thanked them for attending today's meeting. Neither Ms. Susman nor Lt. Orange wished to address the Board at this time.

Trustee Wiegert returned to the meeting - 12:56 P.M.

10. Chairman's Report - Chairman Leopold reported on the following:
 - a. Appointment of Committee Chairs - Below is a listing of the Committee Chairs as appointed by Chairman Leopold:
 - Control and Compliance Committee - Sergeant Owens
 - Disability Committee - Sergeant Frederick
 - Investment Committee - Detective Leopold
 - Legal Committee - Sergeant Wiegert
 - Legislative Committee - Lieutenant Anderson
 - Personnel and Policy Committee - Sergeant Owens
 - Pre-Retirement Committee - Captain Mueller
 - Veteran Affairs Committee - Lieutenant Anderson

Chairman Leopold asked that the Committee Chairs select the members of their committee(s) and advise who their committee members are. Chairman Leopold noted that there can be no more than a total of 5 members on each committee.

11. Reports from the Executive Directors - Director Olish and Director Lawson reported to the Board on the following:
 - a. September 16, 2019 Letter from Mr. Pete Rothschild - Director Lawson stated that Mr. Pete Rothschild, a developer in the City, sent a letter indicating he heard that this System might be moving and advising that he has the old 12th District Police Station for lease in the Central West End. It was noted that the property offered is considerably less square footage than the System's current 9,000 square feet of space.
 - b. Board Budget Update - Director Olish passed out copies of the current budget submitted to City Hall and reported that Ms. Susman from the Budget Division assisted him and Director Lawson in preparing the passout which notes various FY20 fringe benefit payouts. Director Olish walked the Board through the spreadsheets offering the following synopsis of the information:
 - Page 3 of this passout is the updated spreadsheet with the associated various fringe benefits of \$432,465.00. The

budget submitted to the City was for a total of \$592,539 as reflected on page 2, and the actual total budget requirement from page 3, including the fringe benefits, is \$749,164.00, or \$156,625.00 overbudget. The overbudget amount does not include salary increases, only accrued vacation and sick time benefits paid out upon his retirement. At the recommendation of Ms. Susman, line item 5112 which was meant to be for a part-time employee will also be used for benefit payouts since there are no part-time employees.

Director Olish then noted that at the last meeting he was taken by surprise when he learned that he was supposed to include those benefit payouts in the budget, adding that this is something he had not done in the past upon the retirement/resignation of employees. Director Olish pointed out that Director Lawson is now prepared to include benefit payouts in future budgets, beginning with the next fiscal year's budget which will likely include the retirement of two staff members and a vacant receptionist position. Director Olish noted that Page 3 of the passout includes those anticipated variables for consideration in preparing the next fiscal year budget but does not include the variables on Page 4, nor does Page 4 take into account the increase in the fringe benefits of those retiring. A brief discussion ensued regarding a succession plan for a payroll specialist.

Discussion ensued regarding the status of last year's and this year's budget overages, of which last year's was covered by the City's general fund. Trustee Fitzsimmons stated that she, Mr. Paul Payne and Mr. Mike Garvin are currently in discussions on what happens when budgets are exceeded.

Chairman Leopold stated that he will schedule a meeting to further discuss this budget matter and also the Board's next year FY21 budget that is due to the City on March 1, 2020 which should include any staff salary increases and the anticipated retirement payout benefits of two employees. Director Olish noted that Ms. Donofrio will receive a 5% salary increase effective December 1, 2019 that was awarded by the Board during the February 27, 2019 Board meeting.

Trustees Mueller and Kismer left the meeting at 1:28 P.M.

- c. New Server Update - Director Lawson reported that CMIT will be installing the System's new server on December 12 during which time there will be no computer access. Director Lawson added that the office will be closed to outside visitors on that date and staff members will be in the office working on document

retention, which will assist him in getting the records count requested earlier by the insurance broker. Director Lawson added that he will notify the Chief's office and request an "office closed" notice be posted to the Department's Outlook system.

12. Legislative Committee Report - Committee Chairman Anderson reported that since last month's Board meeting he has contacted the St. Louis Police Officers' Association (SLPOA) and the City's Administration about meeting to discuss the possible topics for this year's legislative endeavor and that to date he has received no response. Committee Chairman Anderson added that he will continue to reach out to them, noting that time is running out for submitting legislation for this year's legislative session.

13. Personnel & Policy Committee Report - With the absence of Committee Chairman Owens, Director Olish reported to the Board.

- a. Proposed Policy Change regarding September 25, 2019 motion requiring members to complete System's retirement/resignation papers - This item was passed down to the next monthly Board meeting.

- b. Sick Time Policy - Director Olish passed out copies of both the Board's and the City Employees' Retirement System's (ERS) sick time policies (attached) pointing out that there is a discrepancy between the policies which penalizes members of the staff. Director Olish then offered the following explanation of each:

Under the Board's policy, upon termination of employment staff members receive pay on a 1 for 1 basis for the first 90 days and then 1 for 2 basis each day thereafter.

Under the ERSs policy, sick time is computed 1 for 1 for the entire time with the provision that $\frac{1}{2}$ of the sick time is paid in cash, $\frac{1}{4}$ buys service credit and $\frac{1}{4}$ is added to the two-year average compensation.

Using his sick time balance of 151 days as an example, Director Olish then went into detail, explaining the different policies and how each policy would impact his retirement, noting that immediately he is reduced from 90 days cash to 75 days cash and $\frac{1}{2}$ of the balance is added to his accumulated salary and the remaining $\frac{1}{2}$ of the balance is added to his creditable service.

Trustees Hunter, Fitzsimmons and Frederick noted that they did not see this information as an agenda document on the portal and not having an opportunity to review it, requested postponing it to the next month meeting. Director Olish stated because this could be a policy change, postponing it to the November

meeting would prevent any change from taking place until December, which is after his retirement. Director Olish added that he has had monthly conversations for the last six months with the Personnel & Policy Committee Chairman to consider this policy and with the focus on finding a new Executive Director, policy changes were put on the back burner. Director Olish added that for him time has run out and he then asked the Board to consider the matter on this date to change the PRS policy and adopt the ERS policy. Director Olish noted that Director Lawson, Ms. Downs and Ms. Donofrio are the other current staff members who would be impacted by this change as the other employees were hired after the sick time policy was frozen and the medical leave policy implemented. Discussion ensued, and when the budget concerns discussed earlier were mentioned, Director Olish noted that his retirement benefit increase would be paid by the ERS and not this System.

Trustee Frederick stated that he would like the Board to take a step back and look at any changes at this time. Director Olish noted that time is of the essence in regards to his retirement at the end of November and asked the Board to consider a motion to adopt the ERS sick time policy which, in keeping with the Board's current policy on policy change, would be held over and not voted on until the November 20th meeting. Discussion continued during which several Trustees stated that they would like more time to review the policy.

Lt. Cheryl Orange asked Chairman Leopold if she could to speak to the Board as a guest. Chairman Leopold recognized Lt. Orange and she presented the following:

Director Olish has served as the Executive Director of this System for 25 years during which he, with the help of the Board, has grown this pension from \$350 million to \$779 million and now he is on his way out. Director Olish said that he tried to get whatever he needed on the agenda and it was passed by. The Board should give him what he deserves after serving 25 years here and 20 years on the Police Department. Give him that opportunity to retire peacefully and go on about his way.

Lt. Orange then thanked Chairman Leopold for the opportunity to speak, and Chairman Leopold thanked Lt. Orange and asked if there was a motion for the Board's consideration.

MOTION

Trustee Frederick moved that the Board pass down this matter for future discussion on how the Board is going to finance these matters.

Motion was seconded by Trustee Wiegert.

Noting that the motion was to discuss funding, Trustee Anderson noted that the subject for the Board's consideration at this time is not funding but is whether to continue with the Board's sick time policy or move to the ERS's sick time policy. Trustee Frederick stated that Trustee Anderson's point is taken and then amended his motion.

AMENDED MOTION

Trustee Frederick moved that the Board pass down this matter for future discussion on changing the sick time policy.

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

Yes - 6 No - 0 Motion passed 6 to 0.

14. Disability Committee Report - Committee Chairman Frederick reported to the Board.

MOTION

Committee Chairman Frederick moved that the Board affirm the motion made in Executive Session wherein the Board of Trustees accepts the Hearing Officer's Decision and grants Police Officer Jason H. Flanery a non-duty (ordinary) disability retirement without medical effective on a date to be determined by the Executive Director.

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

Yes - 4 No - 1 Motion passed 4 to 1 to 1.
Abstain - 1 (Chairman Leopold recused himself from this matter.)

Committee Chairman Frederick then noted that several informal hearings have been scheduled over the next two months and that reminder emails will be sent to members of the Disability Committee.

15. Approval of the October 2019 Informational Section - For the Board's review and approval, included in the agenda documents on the secured portal was a copy of the October 2019 Informational Section.

MOTION

Chairman Leopold moved that the Board approve the October 2019 Informational Section as presented.

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

Yes - 6 No - 0 Motion passed 6 to 0.

16. Deferred Retirement Option Plan (DROP) Participants Report - November 1, 2019 DROP Report - One officer elected to enter DROP on November 1, 2019. A copy of November 1, 2019 DROP Participant Report was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board approve the November 1, 2019 DROP Report as presented.

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

Yes - 6 No - 0 Motion passed 6 to 0.

17. Approval of the September 2019 Budget Report - For approval by the Board, a copy of the September 2019 Budget Report was included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board approve the September 2019 Budget Report as presented.

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

Yes - 6 No - 0 Motion passed 6 to 0.

18. Approval of Open Session Minutes - For the Board's review and approval, copies of the minutes from the following open session Board meetings were included in the agenda documents on the secured portal:

a. August 28, 2019 Monthly Board Meeting

MOTION

Chairman Leopold moved that the Board approve the Open Session Minutes of the August 28, 2019 Monthly Board Meeting as presented.

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

Yes - 4 No - 0 Motion passed 4 to 0 to 2.
Abstain - 2 (Trustee Anderson and Wiegert)

b. September 25, 2019 Monthly Board Meeting

MOTION

Chairman Leopold moved that the Board approve the Open Session Minutes of the September 25, 2019 Monthly Board Meeting as presented.

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

Yes - 4 No - 0 Motion passed 4 to 0 to 2.
Abstain - 2 (Trustees Hunter and Wiegert)

19. Upcoming Board Meetings - Below is a list of upcoming Board meetings:

- November 20, 2019, 9:00 AM - Regular Monthly Board Meeting
- December 18, 2019, 9:00 AM - Regular Monthly Board Meeting
- January 29, 2020, 9:00 AM - Regular Monthly Board Meeting

MOTION

Chairman Leopold moved that the February 2020 monthly Board meeting be held on February 26, 2020 at 10:00 A.M.

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

Yes - 6 No - 0 Motion passed 6 to 0.

20. City/County Merger Ad Hoc Committee Report - Chairman Leopold stated that he had nothing to report in Open Session.

21. Office Relocation Ad Hoc Committee Report - Chairman Leopold stated that he had nothing to report in Open Session.

22. Media Consultant Report - For the information of the Board, a copy of the September 2019 monthly Media Consultant Report was included in the agenda documents on the secured portal. With the absence of Mr. Thomas Stoff, his report to the Board was passed down to the next monthly meeting.

23. Legal Committee Report - Committee Chairman Wiegert stated that he would like to review the contracts and bids for the current System attorneys for a report to the Board at the next monthly meeting.
24. Internal Control & Compliance Committee Report - With the absence of Committee Chairman Owens, this item was passed down to the next monthly meeting.
25. Pre-retirement Committee Report - In the absence of Committee Chairman Mueller, Director Lawson reported that the next Pre-retirement seminar is scheduled for November 13, 2019.
26. Veteran Affairs Committee Report - Committee Chairman Anderson stated he had nothing to report in Open Session.
27. Upcoming Conferences - For the Board's consideration and approval, copies of the itineraries for the following conferences were included in the agenda documents on the secured portal:
 - a. Opal Group's Public Funds Summit scheduled for January 6-8 2020 in Scottsdale, AZ
 - b. 7th Annual Central States Institutional Forum scheduled for February 25, 2020 in St. Louis, MO

On this date no one expressed an interest in attending either of these conferences.

28. Conference Reports
 - a. 2019 Investment Symposium was held in Chicago on October 4. Chairman Leopold and Directors Olish and Lawson attended this symposium. Director Lawson reported that several presentations dealt with the forecast for the upcoming year, which for the most part was pessimistic. Chairman Leopold reported that while in Chicago, they were able to meet privately with the leaders of Marquette Associates and also with the System's custodian, Northern Trust, during which Northern Trust's cyber security measures were discussed in detail. Chairman Leopold added that it was a worthwhile trip getting to meet not only with the people at Marquette but also with those at Northern Trust.
 - b. IFEBP's New Trustee Institute Level 1 was held in San Diego from October 18-21. Trustee Hunter attended this conference and reported that the conference was well-attended and informational. The presentations included many of the fundamental concepts for new trustees, and she thanked the Board for the opportunity to attend the conference.

Trustee Frederick then reported that he and Trustee Anderson attended an education seminar in Columbia, MO. Trustee Frederick and Trustee Anderson noted the following additional seminar highlights:

- Having actuarial audits wherein an actuary checks the actuary's work, which are extremely expensive and conducted by a limited number of firms.
 - Board's attorney cannot give advice to any single Board member or employee. They must advise the entire Board.
 - Consultants should only be allowed to speak on their report. Otherwise they become Board members, and that is illegal.
 - All votes made in closed session must be roll call votes and identified by the individual trustee. There is no standard vote for a ranking vote in closed session. They have to be made by each person.
 - Salaries are not closed records.
 - Regarding JCPERS reports, there are 9 areas that Board members have to be trained in by Missouri state law. Some of these topics that are required by Missouri Statutes are not always covered in all of the seminars.
 - Any trustee found guilty of a plan-related felony forfeits his/her retirement benefits.
 - Assumption rates were also discussed and need to be addressed by this Board.
- c. IFEBP CAPPP Pension Part 2 was held in San Diego from October 18-21. Trustee Frederick who attended this conference reported that there were presentations on defined benefit plans vs. defined contribution plans and how term limits of legislators impact defined benefit plans. Trustee Frederick added that many plans have open-ended COLA, which this System does not have.

Chairman Leopold returned to Agenda Item 10 at this time.

10. Chairman's Report - Chairman Leopold thanked those trustees who attended the audit entrance meeting with Mr. Bob Offerman and the other auditors to discuss areas of concern. It was noted that during this year's meeting when asked about an actuarial audit for this System, Mr. Bob Offerman replied that such audits are very expensive and that it would not be good use of the System's money. Chairman Leopold stated that the audit entrance meetings are a part of the audit process and hopefully more trustees will be able to participate future meetings.

29. Matters Pending - There are no items on the matters pending list.

Chairman Leopold stated that he would like to temporarily end Open Session at this time to finish the Executive Session meeting.

MOTION

Chairman Leopold moved for a Roll Call Vote in Open Session to temporarily adjourn Open Session and hold a Closed Meeting pursuant to the following:

- a. Have confidential communications with legal counsel concerning legal causes of action pursuant to Section 610.021, subsection 1 of the Missouri Revised Statutes
- b. Discuss nonjudicial mental or physical health proceedings involving identifiable persons, including medical psychiatric, psychological, or alcoholism or drug dependence diagnosis or treatment, pursuant to Section 610.021, subsection 5 of Missouri Revised Statutes.
- c. Consider individually identifiable personnel records, performance ratings or other records pertaining to employees or applicants for employment, pursuant to Section 610.021, subsection 13 of the Missouri Revised Statutes

Motion was seconded by Trustee Frederick.

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

<u>Yes</u>	<u>No</u>		
Sgt. Frederick	0	Yes - 6	No - 0
Ms. Hunter			
Lt. Anderson			
Chairman Leopold			
Sgt. Wiegert			
Ms. Fitzsimmons			

Motion passed 6 to 0.

Chairman Leopold temporarily adjourned the Open Session meeting at 2:05 P.M. and thanked Lt. Orange and Ms. Susman for attending.

Lt. Orange and Ms. Susman left the meeting at this time - 2:05 P.M.

No motion to adjourn the meeting was made. However, the quorum was lost at 2:35 P.M. and no further Board business was conducted thereafter.

Submitted to the Board of Trustees by Secretary Michael A. Frederick.

Minutes prepared by Cheryl Donofrio and Mark Lawson.

BOARD APPROVED: 1-29-2020

ATTEST:



Wallace K. Leopold
Chairman, Board of Trustees



Michael A. Frederick
Secretary, Board of Trustees