

September 30, 2020

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, September 30, 2020 at 8:32 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 8:32 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)
Capt. Michael J. Mueller
Sgt. Michael A. Frederick, Retired
Sgt. Gary R. Wiegert, Retired
Lt. Michael A. Anderson, Retired
Ms. Ann Hunter (via Zoom)
Mr. Richard Kismer (via Zoom)

Trustee Mickey A. Owens was absent.

Others present were:

Mr. Mark Lawson, Executive Director
Ms. Kelly Camilleri, Assistant City Counselor
Det. Samuel Zouglas, Retired
Det. Leo Rice
Ms. Kim Kowalski, Surviving Spouse of P.O. Jeff Kowalski

1. Certification of the Results of the 2020 Active Trustee and Retiree Trustee Elections for the three-year term of office beginning October 1, 2020

- a. Active Trustee-Elect Leo G. Rice - For certification by the Board, included in the agenda documents on the secured portal was a copy of the letter dated September 18, 2020 from Hochschild, Bloom & Company LLP, Auditor, listing the following voting results of the election of Active Trustee for the three-year term of office beginning October 1, 2020:

Mickey A. Owens	122
Leo G. Rice	232
Ramiro Martinez	23

- b. Retiree Trustee-Elect Samuel G. Zouglas - For certification by the Board, included in the agenda documents on the secured portal was a copy of the letter dated September 18, 2020 from Hochschild, Bloom & Company LLP, Auditor, listing the following voting results of the election of Retiree Trustee for the three-year term of office beginning October 1, 2020.
- | | |
|------------------|-----|
| Sam Zouglas | 728 |
| Michael Anderson | 192 |

Chairman Leopold congratulated Detective Leo Rice and Pensioner Sam Zouglas.

2. Mayoral Appointments for two-year terms of office beginning October 1, 2020 - Copies of the letters dated September 8, 2020 from Mayor Lyda Krewson for the following mayoral appointees were included in the agenda documents on the secured portal:
- a. Ms. Ann Hunter
 - b. Mr. Richard Kismer II

Chairman Leopold welcomed Ms. Hunter and Mr. Kismer back to the Board for another term.

3. 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 in order to:

- 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 the hiring, firing, disciplining or promoting of particular employees, pursuant to Section 610.021, subsection 3 of the Missouri Revised Statutes;
- c. Discuss nonjudicial mental or physical health proceedings involving identifiable persons, including medical, psychiatric, psychological, or alcoholism or drug dependency diagnosis or treatment, pursuant Section 610.021, subsection 5 of the Missouri Revised Statutes;
- d. 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 then called for a Roll Call Vote; and upon vote, the following was recorded:

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

Motion passed 8 to 0.

Chairman Leopold temporarily adjourned Open Session at 8:37 A.M.

Executive Session temporarily ended at 9:32 A.M.

Chairman Leopold called for a break at 9:32 A.M., stating that Open Session will resume at 10:00 A.M. as posted.

Meeting resumed at 10:00 A.M. Discussion ensued regarding a "housekeeping" matter that needed to be addressed in Executive Session.

MOTION

Chairman Leopold moved that the Board temporarily adjourn open session to hold a closed meeting in order to:

- 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 dependency diagnosis or treatment, pursuant Section 610.021, subsection 5 of the Missouri Revised Statutes;

Motion was seconded by Trustee Anderson.

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

<u>Yes</u>	<u>No</u>		
Lt. Anderson	Sgt. Frederick	Yes - 7	No - 1
Ms. Fitzsimmons			
Ms. Hunter			
Mr. Kismer			
Chairman Leopold			
Capt. Mueller			
Sgt. Wiegert			

Motion passed 7 to 1.

Chairman Leopold temporarily adjourned Open Session at 10:01 A.M.

Executive Session ended at 10:22 A.M.

Open Session meeting resumed at 10:22 A.M. with Agenda Item 7.

Ms. Kim Kowalski joined the meeting at this time.

7. Chairman's Report - Chairman Leopold reported to the Board that the annual audit entry conference to educate the Board of the process of the annual audit is being scheduled and all trustees are invited to attend. All will be notified of the date and time when details are finalized.

Discussion ensued regarding how long Hochschild, Bloom and Company has been the auditor for the System, noting that it is best practice to do a RFP every five years. Chairman Leopold stated that he will research the inquiry and will report at the October 2020 monthly Board meeting.

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

- a. September 2, 2020 Board Meeting-Replaced August 26, 2020 Meeting

MOTION

Chairman Leopold moved that the Board approve the Open Session Minutes of the September 2, 2020 monthly Board meeting as presented.

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

Yes - 6 No - 0 Motion passed 6 to 0 to 2.
Abstention - 2 (Trustees Fitzsimmons and Kismer)

- b. September 17, 2020 Special Board Meeting

MOTION

Chairman Leopold moved that the Board approve the Open Session Minutes of the September 17, 2020 Special Board meeting as presented.

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

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

11. Approval of the September 2020 Informational Section - For the Board's review and approval, included in the agenda documents on the secured portal was a copy of the September 2020 Informational Section.

MOTION

Chairman Leopold moved that the Board approve the September 2020 Informational Section as presented.

Motion was seconded by Trustee Frederick.

Following discussion and upon vote, the following was recorded:

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

12. Approval of the August 31, 2020 Budget Report - For approval by the Board, a copy of the August 31, 2020 Budget Report, including the actual and forecast expenses, were included in the agenda documents on the secured portal.

MOTION

Chairman Leopold moved that the Board approve the August 31, 2020 Budget Report as presented.

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

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

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

October 26, 2020, 1:30 PM - Special Board Meeting
October 28, 2020, 8:30 AM - Regular Monthly Board Meeting
November 18, 2020, 8:30 AM - Regular Monthly Board Meeting
December 16, 2020, 8:30 AM - Regular Monthly Board Meeting

Following some discussion, Chairman Leopold scheduled the January 2021 monthly Board meeting for January 27th at 8:30 A.M.

Chairman Leopold returned to agenda item 4 at this time.

4. Investment Committee Report - Chairman Leopold turned the meeting over to Mr. Brian Goding and Mr. Tom Latzke with Marquette Associates who were participating via Zoom.

- a. Marquette Associates Report - A copy of the August 2020 Executive Investment Summary 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 \$770,685,211.00 as of August 31, 2020.

Mr. Lawson informed the Board that Marquette Associates agreed to help the System by calculating an estimated DROP rate for the new fiscal year to assist the members by mid-October and noting that the official DROP interest rate will not be available until the actuarial valuation report has been completed and presented to the Board which is generally in January or February.

Following their presentation, Mr. Goding and Mr. Latzke terminated their Zoom connection.

- b. Capital Call/Distribution Updates:

- (1) HarbourVest Dover Street IX L.P.
 - Capital Call: \$400,000.00
 - Less Deemed Distribution: \$209,336.00
 - Net Capital Call: \$190,664.00 (September 25, 2020)
- (2) Neuberger Berman Secondary Opps Fund III LP
 - Distribution: \$35,808.42 (September 28, 2020)
- (3) Siguler Guff Fund IV LP
 - Special Distribution: \$6,000.00 (September 24, 2020)

Chairman Leopold reported that the System is scheduled to receive the final ElmTree Fund III distribution in the amount of \$152,367.00 on this date.

5. Acceptance of August 31, 2020 Investment Report, for informational purposes - A copy of the August 31, 2020 Market Value Report was included in the agenda documents on the secured portal.

MOTION

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

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

Yes - 8

No - 0

Motion passed 8 to 0.

6. 2020-2021 Conference List - For the Board's review and approval, a copy of the 2020-2021 Conference List was included in the

agenda documents on the secured portal. Trustees-elect Leo Rice and Sam Zouglas were informed that they are required by State Statute to take the IFEBP - New Trustees Institute - Level One within 90 days of becoming a trustee with the System and that Ms. Briley will assist them with conference registrations.

8. Reports from Legal Counsel - Ms. Kelly Camilleri, Assistant City Counselor, reported she had nothing for Open Session.
9. Reports from the Executive Director - Director Lawson reported the following to the Board.
 - a. Required City Contribution Update - The System received the required contribution from the City of St. Louis the week of September 21st of approximately \$35.3 million.
 - b. RFP for Hearing Officers Update - The System received 7 submissions and the window has now closed. Mr. Lawson stated that he is currently reviewing the submissions for the minimal requirements and will distribute to the Disability Committee Chairman.
14. Legislative Committee Report - The Legislative Committee met on September 17, 2020. A copy of the minutes from this meeting was included in the agenda documents on the secured portal.
 - a. Proposed Changes to Legislation - Copies of the following proposed legislative changes were included in the agenda documents on the secured portal:
 - (01) 86.200 RSMo Definitions
 - (02) 86.223 RSMo Quorum
 - (03) 86.237 RSMo Medical Board
 - (04) 86.250 RSMo Service Retirement
 - (05) 86.251 RSMo DROP
 - (06) 86.253 RSMo Lump Sum
 - (07) 86.263 (New) Draft Subrogation Provision [3250]
 - (08) 86.320 RSMo Contributions
 - (09) 86.354 RSMo Vesting
 - (10) 86.213 RSMo Mayor-Voting
 - (11) 86.254 RSMo Advisors
 - (12) 86.280 RSMo Death Benefits Spouses
 - (13) 86.283 RSMo Death Benefits COLA
 - (14) 86.287 RSMo Accidental Death Benefits

Committee Chairman Anderson reported that the Committee voted to recommend to the Board the following legislative changes as this year's legislative package:

- Non-Benefit Changes

- Section 86.213 RSMo Mayor-Voting
- Section 86.237 RSMo Medical Board
- Section 86.263 New Draft Subrogation Provision [3250]
- Changes for New Hires
 - Section 86.200 RSMo Definitions
 - Section 86.354 RSMo Vesting
 - Section 86.251 RSMo DROP
 - Section 86.250 RSMo Service Retirement
 - Section 86.253 RSMo Lump Sum
 - Section 86.254 RSMo Advisors
- Changes for All Members
 - Section 86.320 RSMo Contributions

The following changes were reviewed but not recommended by the Committee:

- Section 86.223 RSMo Quorum
- Section 86.280 RSMo Death Benefits Spouses
- Section 86.283 RSMo Death Benefits COLA
- Section 86.287 RSMo Accidental Death Benefits
- Section 86.354 RSMo Vesting

Committee Chairman Anderson noted that benefit cannot be increased in this System unless the System is 80% funded at the end of the fiscal year, which is September 30th, and that funding has to come from the annual actuarial report.

Discussion ensued regarding the proposed changes.

MOTION

Legislative Committee Chairman Anderson moved that the Board approve the proposed legislative changes as recommended by the Legislative Committee and as follows:

- Changes for All Members
 - Contributions to be raised to 9%. Contributions for those hired after October 1, 2021 will be pre-tax. For members hired before October 1, 2021 contributions will be post-tax. (86.230 RSMo)
- Changes for All Members Hired After October 1, 2021
 - Final compensation to be determined by a three-year average. (86.200 RSMo)
 - Vesting at 10 years, no benefits paid until age 55. (DROP and retirement available at 20 years). (86.354 RSMo)

- DROP interest rate guaranteed at T-bill plus 1 % as of September 30 each year with a cap at 6 %. 5 year maximum on DROP, no DROP back in, retirement upon withdrawal or completion of DROP. (86.251 RSMo)
- Those who terminate employment prior to vesting will receive their contributions in a lump sum. No return of lump sum after vesting. (86.320 RSMo)
- New hires as well as their spouses will not be eligible for "advisor payments" based on age (\$10 bill). (86.254 RSMo)
- Non-Benefit Changes
 - Change Mayoral appointments so that terms are staggered and allow appointees to remain on the Board until their replacements have been named. (86.213 RSMo)
 - Allow Medical Board to add a specialized physician for examinations at the discretion of the medical director in specific cases. The Medical Director would not be one of the examiners but would make a report to the PRS Board. (86.237 RSMo)
 - Add a section to 86.263 to allow for the PRS to file suit for costs associated with members' disabilities or death when a responsible party can be identified. Any award greater than the actuarial cost of benefits and reasonable attorney fees should go to the officer or dependents.

Ms. Kowalski expressed her objection to the content of the minutes from the legislative committee meeting.

Motion was seconded by Chairman Leopold.

Discussion ensued during which it was recommended that the Board postpone submitting legislative changes to Jefferson City to prevent legislation from being added to this System's legislation by others and to protect what the System currently has.

AMENDED MOTION

Trustee Frederick moved to amend Trustee Anderson's motion by removing Section 86.237 regarding the Medical Board from the proposed legislative changes as the matter has not been taken up by the Disability Committee.

Amended Motion was seconded by Chairman Leopold for discussion at which time it noted that this vote will be on the motion to amend Trustee Anderson's original motion.

Following discussion and upon vote, the following was recorded:

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

Chairman Leopold stated that the motion now before the Board is Trustee Anderson's motion with Trustee Frederick's amendment which removes the proposed changes to the medical board, Section 86.237 RSMo. Following discussion a Roll Call vote was requested.

Upon a Roll Call vote, the following was recorded:

<u>Yes</u>	<u>No</u>		
Lt. Anderson	Sgt. Frederick	Yes - 2	No - 5
Ms. Hunter	Mr. Kisner		Abstention - 1
	Chairman Leopold		
	Capt. Mueller		
	Sgt. Wiegert		

Abstain
Ms. Fitzsimmons Motion failed 2 to 5 to 1.

15. Personnel & Policy Committee Report - In the absence of Committee Chairman Owens, this item was passed down to the next monthly Board meeting.
16. Disability Committee Report

MOTION

Trustee Frederick moved that the Board affirm the Executive Session Motion to award Police Officer Mark L. Kurkowski a 75% Service-Connected Accidental Disability Retirement based on his eye condition as certified by the Medical Board without medical, and said benefit will become effective after last full pay period as an officer with the SLMPD.

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

Yes - 7 No - 1 Motion passed 7 to 1.

17. Legal Committee Report - Committee Chairman Wiegert stated he had nothing to report for the Open Session.
18. Internal Control & Compliance Committee Report - In the absence of Committee Chairman Owens, this item was passed down to the next monthly Board meeting.

19. Pre-retirement Committee Report - Committee Chairman Mueller stated he had nothing to report for the Open Session.
20. Veteran Affairs Committee Report - Committee Chairman Anderson stated he had nothing to report for Open Session.
21. Presentation of Credentials - Copies of the Oaths of Office for the following were included in the agenda documents on the secured portal:
 - a. Trustee Ann Hunter
 - b. Trustee Richard Kismer, II
 - c. Trustee-Elect Leo G. Rice
 - d. Trustee-Elect Samuel G. Zouglas

Chairman Leopold passed this item down to the October 2020 monthly 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 Anderson; and upon vote, the following recorded:

Yes - 8

No - 0

Meeting adjourned at 11:56 A.M.

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

Minutes prepared by Kelly Briley, Cheryl Donofrio and Mark Lawson.

BOARD APPROVED: 10-28-2020

ATTEST:



Wallace K. Leopold
Chairman, Board of Trustees



Mark Lawson
Executive Director