

CITY OF LADUE  
MINUTES OF THE COMBINED MEETING  
OF THE FIREMEN'S AND POLICEMEN'S  
PENSION PLAN AND RETIREMENT  
PLAN COMMITTEES  
THURSDAY February 6, 2020 at 8:00 A.M.

A combined meeting of the Ladue Uniform Pension and the Non-Uniform Pension Plan Committees of the City of Ladue was convened at the Ladue Police Department's second floor conference room at 8:00 a.m. on February 6, 2020. The following members were present:

Firemen's and Policemen's Pension  
Fund Board of Trustees

Chairman Joe Rechter (by phone)  
Mayor Nancy Spewak, Ex-Officio  
Mr. William Francis  
Lt. Dave Kaiser  
Chief Ken Andreski  
Chief Steve Lynn  
Sgt. Greg Stork

Retirement Committee Non-Uniformed  
Employees Retirement Fund

Chairman Wesley Jones  
Mayor Nancy Spewak  
Ms. Shelly Benson, Secretary  
Mr. Ivan White, Vice-Chairman  
Mr. Scot Bollinger

Also present: Sam Zes, Finance Director; Tom Latzke and Brian Goding from Marquette; Michael Wagner from LSV Asset Management; and John Bascio from Commerce Bank.

Sgt. Stork moved to approve and adopt the agenda. The motion was seconded by Mr. Bollinger, and the motion was unanimously approved.

Mr. Francis moved to approve the minutes of the meeting from November 7, 2019. The motion was seconded by Chief Lynn, and the motion was unanimously approved.

Public Forum: None

Mr. Bascio spoke to the committee concerning the Commerce Bank Custodian Fees. He stated their current rates were three years old and still include a 20% discount. Commerce is proposing removing the discount which would bring the cost to 8-10 basis points, which is at the high end of the normal range for plans the size of Ladue's Uniform and Non-Uniform Plans combined. He suggested discontinuing the mailing of remittance advice to the retirees to help offset the cost increase. Mrs. Benson stated the City receives premium service from Commerce and she felt that other custodial entities probably wouldn't provide the level of personal services the City has come to expect and appreciate with Commerce. Mr. Zes asked if Commerce would consider phasing out the discount over

a couple of years. Mr. Jones asked Mr. Bascio if it would be possible to keep the 20% discount if the City would commit to not going out to the market for bids. Mr. Bascio stated he would have to discuss with others at Commerce Bank. The committee then discussed possibly starting the RFQ or RFP process if Commerce was not willing to keep the discounted rates.

Next Mr. Michael Wagner gave a brief overview of LSV Asset Management. He stated their investment philosophy is based on three fundamental ideas: Deep Value which means identifying cheap companies that are underappreciated by the market; A Quantitative Investment Strategy based on empirical research which addresses the complexities of financial statements; and Risk Control by constructing well diversified portfolios across sectors and industries.

Mr. Latzke presented the Portfolios' status and investment results for the fourth quarter 2019 beginning with an economic overview. The 4th quarter GDP grew 2.1%, the unemployment rate remained at 3.5% with 145K new jobs added and wage growth of 3%. CPI increased 2.1% over the last year.


#### Uniform Plan


Asset Allocation: 1.5% Cash Equivalents, 60.9% Equity Investments, 8% Defensive Equity, 18% Fixed Income Investments, and 11.6% Real Estate Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue 6.1% vs. Benchmark 5.9%; YTD – Ladue 20.2 vs. Benchmark 22%; Last 10 Years - Ladue 7.8% vs. Benchmark 9.2%.

#### Non-Uniform Plan

Asset Allocation: 1.5% Cash Equivalents, 60.8% Equity Investments, 8.1% Defensive Equity, 18.1% Fixed Income Investments, and 11.4% Real Estate Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue 6.1% vs. Benchmark 5.9; YTD - Ladue 20.2% vs. Benchmark 22%; Last 10 Years - Ladue 7.7% vs. Benchmark 9.2%.

Mr. Kaiser moved to adjourn the meeting. The motion was seconded by Chief Lynn, and the motion was unanimously approved. The meeting adjourned at 9:30 AM.

  
Mr. Joseph E. Rechter  
Chairman  
Firemen's and Policemen's Pension  
Fund Board of Trustees

  
Mr. Wes Jones  
Chairman  
Retirement Committee Non-Uniformed  
Employees Retirement Fund