

CITY OF LADUE
MINUTES OF THE COMBINED MEETING
OF THE FIREMEN'S AND POLICEMEN'S
PENSION PLAN AND RETIREMENT
PLAN COMMITTEES
May 11th, 2022 at 8:00 a.m. via Zoom

A combined meeting of the Ladue Uniform Pension and the Non-Uniform Pension Plan Committees of the City of Ladue was convened via Zoom and at City Hall at 8:00 a.m. on May 11th, 2022. The following members were present via Zoom:

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

Chairman Joe Rechter
Mayor Nancy Spewak, Ex-Officio
Chief Ken Andreski
Mr. William Francis
MEMT/FF David Kaiser
Chief Steve Lynn

Retirement Committee Non-Uniformed
Employees Retirement Fund

Chairman Wesley Jones
Mayor Nancy Spewak
Mrs. Shelly Benson
Mr. Scot Bollinger
Mr. Joe Rechter
Mr. Ivan White

Also present were Stacey Mann, City Clerk; Scott Kroenung, Finance Director; Tom Latzke from Marquette; and Bill Winningham from Milliman. Committee member Dennis Pohlmann was absent.

Mr. Francis moved approval and adoption of the agenda, upon second by Mr. White the motion was unanimously approved.

Mr. Bollinger moved approval of the minutes of the meeting of February 10th, 2022, upon second by Mr. White the motion was unanimously approved.

Public Forum: None

Mr. Bill Winningham presented the 2022 Valuation for the Firemen's and Policemen's Pension Plan. The unaudited market value of the plan assets increased from \$42,056,622 at January 1, 2021 to \$48,340,991 at January 1, 2022. The net market rate of return was 16.7% vs. the prior year assumed rate of 7% resulting in a gain for the period. The actuarial value of assets increased from \$39,776,584 at January 1, 2021 to \$43,355,531 at January 1, 2022. The net actuarial rate of return for the period was 10.8% vs. the prior year assumed rate of 7%.

Mr. Winningham discussed the Funding Policy Contribution stating the Actuarially Required Contribution (ARC) decreased from \$1,715,333 in 2021 to \$1,669,111 for 2022. This reduction was primarily due to a gain on the actuarial value of assets, offset somewhat by assumption change

increases. He reminded the committee the mortality assumption was updated and also the assumed interest rate as changed from 7% to 6.75% beginning January 1, 2022. The plan population remained unchanged. The Funded Ratio for the Uniform Plan is 94.7%.

Mr. Bill Winningham briefly discussed the 2022 Valuation for the Non-Uniform Retirement Plan. The unaudited market value of the plan assets increased from \$6,028,867 at January 1, 2021 to \$7,000,607 at January 1, 2022. The net market rate of return was 16.8% vs. the prior year assumed rate of 7% resulting in a gain for the period. The actuarial value of assets increased from \$5,712,654 at January 1, 2021 to \$6,284,492 at January 1, 2022. The net actuarial rate of return for the period was 10.7% vs. the prior year assumed rate of 7%.

Mr. Winningham discussed the Funding Policy Contribution stating the Actuarially Required Contribution (ARC) decreased from \$297,695 in 2021 to \$247,484 for 2022. This reduction was primarily due to a gain on the actuarial value of assets as well as net demographic gains. The plan population remained unchanged. The Funded Ratio for the Uniform Plan is 91.6%.

Mr. Kaiser asked Mr. Winningham if this would be a good time to look at Lagers Pension, since the plans are so well funded. Mr. Winningham stated that the cost would be lower, however the benefit would not.

Mr. Latzke presented the Portfolios' status and investment results for the first quarter 2022 beginning with an economic overview. The Labor force participation is steadily recovering and CPI is at 8.3%, however the top contributors of inflation remain persistent. The Russia-Ukraine conflict threaten global food supplies. Rent growth is at the highest level in 15 years and inflation continues to outpace wage growth. The Federal Reserve is trying to raise interest rates to curb inflation but not push the economy into a recession.

Uniform Plan

Market Value - \$46,312,962; Plan Cost - \$ 345,461 (.75%). Asset Allocation: .7% Cash Equivalents, 58.8% Equity Investments, 8.2% Defensive Equity, 18% Fixed Income Investments, and 14.2% Real Estate Investments. Portfolio vs. Benchmark – Last 3 Months – Ladue -3.8% vs. Benchmark -3.2%; 1 Year – Ladue 7% vs. Benchmark 7.6%; Last 10 Years - Ladue 8.1% vs. Benchmark 9.1%.

Non-Uniform Plan

Market Value - \$6,724,608; Plan Cost - \$49,867 (.74%). Asset Allocation: .9% Cash Equivalents, 58.7% Equity Investments, 8.2% Defensive Equity, 18.1% Fixed Income Investments, and 14.1% Real Estate

Investments. Portfolio vs. Benchmark - Last 3 Months – Ladue -3.8% vs. Benchmark -3.2%; 1 Year - Ladue 7.0% vs. Benchmark 7.6%; Last 10 Years - Ladue 8.1% vs. Benchmark 9.1%.

The next meeting was scheduled for Wednesday August 10th, 2022, at 8:00 AM.

Chief Lynn moved adjournment, upon second by Mr. White 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