

**CITY OF BRENTWOOD POLICE AND FIRE FIGHTERS’
PENSION FUND BOARD OF TRUSTEES MEETING MINUTES
February 21, 2018**

Mayor Thornton called the Board meeting to order at 8:30 a.m.

ROLL CALL:

Mayor Thornton proceeded with attendance.

Board Members Present: Mayor Thornton, Treasurer Reynders, Police Officer Retzlaff, Fire Fighter Niemeyer, Alderman Kramer, Interim Police Chief McIntyre, and Fire Chief Kurten

Board Members Absent: None

Others Present: City Clerk/Administrator Bola Akande; Deputy City Clerk Lori Wrobel; Finance Director Karen Shaw; Legal Advisor Michael Lane of Thompson Coburn; Investment Consultant Patti Haffner of Asset Consulting Group

CONSIDERATION AND APPROVAL OF MINUTES:

Pension Board Meeting November 7, 2017

Mayor Thornton presented the minutes of the November 7, 2017 meeting for approval. Upon motion duly seconded, the minutes of the November 7, 2017 Board meeting were approved by acclamation.

PENSION FUND REPORT:

Ms. Shaw distributed and presented the most recent Commerce Trust statement, noting that the pension fund reports for the quarter are in process. Ms. Shaw noted that the statement shows just under \$40 million in assets at year end.

OLD BUSINESS:

None.

NEW BUSINESS:

Performance Report

Ms. Haffner presented ACG’s report as of December 31, 2017, copies of which were distributed to Board members. She noted that for the year, equity returns were strong with low volatility.

The global economic expansion assisted in this performance. Ms. Haffner noted that the recent tax reform bill was well received in the markets. Fixed income has not been hurt badly by rising interest rates. She noted that since 2018 started, concern about inflation has caused some uncertainty, but the recent 10% correction is not out of the ordinary.

Ms. Haffner presented the plan performance, highlighting the plan's \$39.4 million in assets at year end, up from \$35 million at the prior year end. The fund remains within the policy limits, so there is no need to rebalance.

For the year, the plan was up 14.9%, which is above the policy index. This shows the value of the plan's active managers. Relative to the peer group, the plan performed well for the year, and even better over longer periods.

Ms. Haffner highlighted some of the managers. She noted that Victory, Integrity, Harding-Loevner and Lazard are doing well. For fixed income, Pioneer is outperforming. Cortina is struggling to meet the benchmark for small cap equities, due to a surge in tech stocks. She noted that this asset class is more volatile, and is not concerned with this manager.

Ms. Haffner noted that adding a long-short equity strategy could help with future volatility. She noted that in up markets, this strategy would lower returns, but that it would outperform when stocks fall.

Actuarial Service Fees

Ms. Shaw presented Ekon's request for a fee increase, and noted that it was the first such request in three years. The Board discussed the current and proposed fee structure, and the value provided by Ekon. Upon motion by Treasurer Reynders seconded by Alderman Kramer, the Board unanimously approved the fee increase.

Elections

The Board discussed the recent elections for the at-large police officer and firefighter Board positions. It was noted that Officer Retzlaff was elected in December to a new three-year term (2018-2020). It was noted that Firefighter Niemeyer was elected in January to a new three-year term (2018-2020).

Member Training

The group discussed the current opportunities available for Board member training. Upon motion duly seconded, the Board unanimously approved payments for any member who desired to attend the MAPERS conference.

Invoice for Disability Determination

The Board discussed payment of the outstanding invoice from St. Luke's relating to a disability determination under the plan. Upon motion by Mayor Thornton seconded by Treasurer

Reynders, the Board unanimously approved the payment and ratified all actions taken to effect such payment.

ADJOURNMENT:

Upon motion by Firefighter Niemeyer seconded by Interim Chief McIntyre, the meeting was adjourned by acclamation at 9:26 a.m.