

**POLICE AND FIREMEN'S RETIREMENT FUND
CITY OF RICHMOND HEIGHTS,
MISSOURI**

REGULAR MEETING, May 10, 2018

A regular meeting of the Board of Trustees of the Police and Firemen's Retirement Fund was held on Wednesday, May 10, 2018, commencing at 12:17 P.M in the second floor Council Chambers at City Hall, 1330 S. Big Bend Boulevard. Present were Chairman Gerry Rohr, Tim Day, Steve Holmes, Mike Jones, Steve Kimker, and Joan Provaznik. City Manager Amy Hamilton was necessarily absent. Scott Colbert, Doug Koester, and John Bascio with Commerce Trust were also in attendance. The meeting was recorded by Sara Fox.

CITIZEN COMMENTS

None.

NEW BUSINESS

Commerce Bank Trust Company Fund Presentation

In order to expedite Messrs. Colbert, Koester, and Bascio attendance at the meeting the Commerce Trust presentation was moved to the opening of the meeting. Scott Colbert and Doug Koester of Commerce Trust Company presented the Board with the Pension Fund Portfolio. The Fund is currently at \$15.3 Million.

Mr. Colbert compared the portfolio vs. benchmark, Page 3 of the Overview. Mr. Colbert stated the Fund has been with Commerce for some twenty years now, and noted the quality has been maintained in the Fund over these years. Mr. Colbert reviewed the comparison to benchmark, only slightly below the benchmark with showing the comparison a nice effort overall.

Mr. Colbert recommended that the Board change the Plan's allowable investment rate to A-.

The rating is located on page five of the Statement of Goals and Objectives, under the section titled Securities Portfolios Investment Objectives and Guidelines – Fixed Income Manger Guidelines.

- The selection of individual securities will be at the discretion of the investment manager, except that bonds must have a minimum quality rating of Baa/BBB and the portfolio shall have a total quality of A- or higher. Money market instruments shall be 2(a)7 funds.

Mr. Holmes stated that he is in support of this recommendation. He would not be in support of chasing the yield.

Mr. Colbert and Mr. Koester stated that they would not recommend chasing the yield.

Vote to change Plan Investment Allowable Rating

Mr. Holmes made a motion to change the Plan's Investment allowable rating to A-, Mr. Day seconded. Carried unanimously.

(Post meeting note: While preparing the minutes, Ms. Fox learned that the Board previously changed this rating to A- at the February 13, 2017 board meeting.)

Ms. Fox asked if Commerce Trust would be able to provide a Gold Medallion Signature Guarantee (guarantee) on investment transfers in the future. If they would not be able to provide this service, to please explain the process. Ms. Fox noted that it was problematic when trying to transfer the Quaker Fund investments to Harbor/Sapience.

Mr. Bascio stated that by providing the guarantee it makes Commerce a party to the transaction, not like a notary signature. Unless funds held by Commerce Trust are included in the transfer, they would not be able to provide this service.

Mr. Holmes asked Ms. Fox how the guarantee was obtained. Ms. Fox stated that the City has a small lease with PNC Bank. PNC was willing to provide this service as they have a relationship with the City. If the City did not have the lease with PNC said they would not have provided the guarantee and would not have been able to withdraw our Quaker funds. Ms. Fox asked what we might do when we no longer have the relationship with PNC.

Mr. Holmes provided the Board with a brief summary of why Quaker Funds required this guarantee. Mr. Holmes stated in 2017 when someone bought Quaker, the arrangement with managing the funds changed, so it was no longer possible to make these transactions with Quaker unless there was relationship attached.

Mr. Holmes asked Commerce to provide the Board with a quote to provide custodial services, so they would be able to provide the guarantee service in the future.

(Let the record show the Commerce Trust Company Fixed Income Investment Management Report and the Current Economic and Financial Market Conditions Report are attached as record of the May 10, 2018 meeting).

APPROVAL OF MINUTES

February 16, 2018

Mr. Kimker moved, Mr. Holmes seconded, a motion of approval of the minutes of the February 16, 2018 meeting. Carried unanimously.

ACCOUNTS PAYABLE

Pat Villmer – Transcribing Retainer	\$	50.00
Fed Ex – Mail Completed Transfer Documents to Quaker	\$	56.25

James Dahm – Financial Review Services	\$ 1,250.00
Add-On: Mike Duffy’s – Lunch	\$ 139.00

Ms. Fox stated that there was an Add-on invoice/receipt for Mike Duffy’s restaurant for today’s lunch meeting.

Mr. Kimker moved, Mr. Day seconded, for the approval of the Accounts Payable as submitted, be received and filed. Carried unanimously.

FINANCIAL STATEMENTS

Total Fund Assessment – Quarter ending March 31, 2018
AJO Funds February 2018 Statement
AJO Funds March 2018 Statement
Commerce Trust Quarterly Report at March 31, 2018
Quaker Funds Final Report at March 22, 2018
Sapience Small Cap Investment March 23, 2018 Statement
Sapience Small Cap Investment March 31, 2018 Statement
Silchester International February 2018 Statement
Silchester International February 2018 Group Trust Report
Silchester International March 2018 Statement
Silchester International March 2018 Group Trust Report
Silchester International April 2018 Statement
Vanguard February 2018 Statement
Vanguard February 2018 Total Return Chart
Vanguard March 2018 Statement
Vanguard March 2018 Total Return Chart

Add Ons:
AJO Funds April 2018 Statement
Vanguard April 2018 Statement
Silchester International April 2018 Group Trust Report
Total Fund Redistribution

Ms. Fox explained that she is still working on the redistribution of funds as requested at the February meeting.

A Total Fund Redistribution report was distributed to the Board before the meeting opened. The Redistribution report shows the known value of each investment fund as of today. The report also shows the allowable range and a possible distribution based on the Plan’s investment guidelines. Mr. Holmes recommended that we stay with the investment guidelines. The Board agreed.

Mr. Kimker moved, Mr. Holmes seconded, for the approval of the Financial Statements as submitted, be received and filed. Carried unanimously.

OLD BUSINESS

Transfer of Quaker Funds to Sapience Small Cap Investment

Ms. Fox reported that the Board had requested the funds be transferred by the end of December 2017. The transfer did not occur until March 28, 2018. The delay was due to Quaker's requirement that the documentation have a Gold Medallion Signature Guarantee.

NEW BUSINESS

Joint Committee on Public Employee Retirement (JCPER) 2018 Report

Mr. Holmes read the Top 10 Ranked Plans based on Market Value and also based on Actuarial Value.

The Market Value Rankings are:

Rank	APR	MktV	Plan
1.	7.00%	196%	Maplewood Police & Fire Retirement Fund
2.	7.00%	121%	Metro North Fire District
3.	5.00%	110%	Little River Drainage District
4.	6.50%	109%	RH Police & Fire Retirement Fund
5.	6.50%	106%	Arnold Police
6.	7.00%	104%	Community Fire District
7.	7.50%	102%	Ferguson Retirement
8.	7.50%	100%	Hazelwood City Council Members
9.	7.25%	98%	North Kansas City Hospital
10.	7.25%	97%	LAGERS Staff

The Actuarial Value Rankings are:

Rank	APR	AV	Plan
1.	7.00%	183%	Maplewood Police & Fire Retirement Fund
2.	6.50%	123%	RH Police & Fire Retirement Fund
3.	7.00%	121%	Metro North Fire District
4.	5.00%	109%	Little River Drainage District
5.	6.50%	106%	Arnold Police
6.	7.50%	106%	Ferguson Retirement
7.	7.50%	100%	Hazelwood City Council Members
8.	7.25%	100%	LAGERS Staff
9.	7.00%	99%	Community Fire District
10.	7.25%	98%	North Kansas City Hospital

Mr. Kimker stated that the Maplewood Police & Fire Retirement Fund should not be considered when ranking the Plans as there are no new members in the Plan. The new members are in LAGERS.

Ms. Fox stated that the Maplewood Police & Fire Retirement Fund only includes retirees. When all of the Plan retirees are deceased the remaining funds will go back to the City of Maplewood. Mr. Kimker clarified that there are also widows included in the Plan.

Donation from Ms. Jane Goz Goodman

Mr. Rohr stated that the Plan received a \$100 donation from Ms. Jane Goz Goodman. Ms. Fox mentioned that the Fire Department sent Ms. Goodman a thank you letter. The donation was received by the Fire Department for ambulatory services provided to her husband.

New Hires:
Police Officer Odin Spinka
Police Cadet Nicholas VanDenBosch

Mr. Rohr reported that the Richmond Heights Police Department hired two new uniformed employees. Police Officer Odin Spinka and Police Cadet Nicholas VanDenBosch.

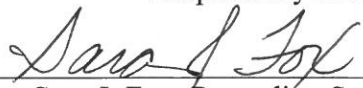
Police Officer Odin Spinka was previously employed with the Benton County Sheriff's Office in Warsaw, Missouri, where he served as a Deputy since June 2014. Additionally, he previously served eight years as Military Police in the Illinois Army National Guard. P.O. Spinka holds a Bachelor's Degree in Criminal Justice with a minor in Forensic Anthropology from Southern Illinois University of Carbondale and graduated from the Missouri Sheriff's Association Police Academy.

Police Cadet Nicholas VanDenBosch has an Associate's degree in general business from St. Charles Community College and is currently dual-enrolled at Lindenwood University and at the St. Louis County and Municipal Police Academy. When P.C. VanDenBosch graduates from the Academy in June, he will have obtained both his P.O.S.T. certification and his Bachelor's Degree in Criminal Justice. He will then be sworn in as a Probationary Police Officer with RHPD and assume all duties as such.

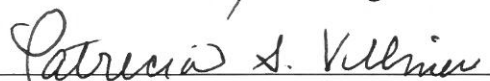
ADJOURNMENT

With no further business to come before the meeting, at approximately 1:12 P.M., Mr. Kimker moved, Mr. Day seconded, a motion that the meeting be adjourned. Carried unanimously.

Respectfully submitted,



Sara J. Fox, Recording Secretary



Patricia S. Villmer, Transcribing Secretary