Employee Pension Board of Trustees
Pension Board Meeting Agenda
November 24, 2020
3:00 PM
Online Meeting

Web Link: https://us02web.zoom.us/j/83138711085

Phone: 1-312-626-6799 Meeting ID: 83138711085

Call to Order

Approve Agenda

Approve Minutes

Approval of October 20, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

Approval of October 21, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

Approval of November 17, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

New Business

IPS Approval

Creve Coeur IPS Revised Final

Draft IPS with Changes Tracked

Mortality Table Approval
COLA Emails

COLA Emails from Pension Retirees

Adjournment

Employee Pension Board of Trustees
Pension Board Meeting Minutes
October 20, 2020
5:30 PM
Online Meeting

Zoom Link by Web: **https://us02web.zoom.us/j/84932638937**

Zoom by Phone: **1-312-626-6799** **Meeting ID: 84932638937**

Call to Order

Ellen Lawrence	Council Liaison
David Caldwell	Vice Chair
Michael Karasick	Chair
Ted Armstrong	Board Member
Carol Lippman	Board Member
Brad Holmes	Employee Representative
Lori Obermoeller	Director of Finance
Peter Kim	Finance Manager
Anne Cronin	Accounting Clerk
Matt McCarty	
John Bascio	
Scott Colbert	
Jack Dwyer	
Todd Grizzle	
Jeff Hartman	Employee Representative
Mike Zwiener	

Approve Agenda

Motion to Approve Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ellen Lawrence, Council Liaison
SECONDER:	Carol Lippman, Board Member
AYES:	Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes, Hartman

Approve Minutes

Michael Karasick wanted the following statement added to the interviews minutes from 7/21, 7/29, 7/30, and 9/10:

Copies of presentations can be obtained upon request

1. Approval of July 21, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

David Caldwell stated to remove the following from the minutes for the July 21st meeting as it was confusing and did not summarize the discussion:

This graph showed that the performance of the current asset allocation has not produced any value in most recent years. The two major reasons why the asset allocation of 70% in fixed are, 5 years of net cash outflows and a sufficient equity allocation to meet actuarial return on majority of long-term rolling periods.

2. Approval of July 29, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

3. Approval of July 30, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

4. Approval of July 31, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

5. Approval of September 10, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

6. Approval of September 11, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

David Caldwell stated to remove the following from the minutes for the October 6th meeting:

Sunpointe and Dahab have real CFA's on staff, whereas FA does not.

Mr. Caldwell stated that this statement is not true and that Todd Grizzle is a CFA.

7. Approval of September 29, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

8. Approval of October 6, 2020 Employee Pension Board of Trustees Pension Board Meeting Minutes

Motion to Approve the Amended Minutes for 7/21, 7/29, 7/30, 7/31, 9/10, 9/11, and 9/29

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ellen Lawrence, Council Liaison
SECONDER:	Michael Karasick, Chair
AYES:	Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes, Hartman

Motion Approve the Amended Minutes for 10/6

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ellen Lawrence, Council Liaison
SECONDER:	David Caldwell, Vice Chair
AYES:	Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes, Hartman

New Business

Commerce Bank Quarterly Report

Matt McCarty, John Bascio, and Scott Colbert present an update to the fixed income portion of the pension fund's portfolio. Mr. Colbert reports that the market experienced a sharp drop in the 2nd quarter and the 3rd quarter has showed a sharp rebound. He states that despite this economic rebound, it will take time for the market to show economic growth due to Covid19 and the upcoming presidential election.

Michael Karasick posed a question to Commerce Bank, how many downward or upward revisions of single A or triple B stocks have been received? If the bond portfolio is status quo or declines, could these stocks be downgraded making a less liquid and lower rated portfolio? Mr. Colbert with Commerce Bank responded with a couple points. He stated that currently the City of Creve Coeur's bond portfolio looks a lot like other clients of Commerce Bank's bond portfolios. He reported that the market has seen more downgrades than upgrades. Currently, the bond portfolio has about 14% in triple Bs. The broad bond market has about 16% of stocks in the triple B category. Commerce reported the time weighted total return year to date was at 6.81 and the aggregate was at 6.79. Mr. Colbert stated that the Pension Board has given Commerce full discretion over the bond portfolio and the portfolio is exactly where Commerce thinks it should be. David Caldwell asked, if the City was to liquidate any substantial portion of its portfolio, what would the costs be? Mr. Colbert responded with, if the whole portfolio was to be liquidated, the cost would be about 25%. Commerce Bank has continually beat the Lehman Aggregate benchmark which has led to the bond portfolio's premium trading status. Overall, the portfolio has enough cash flow to last over the next 5 years; it is after those 5 years, that the Pension Board has expressed concern.

Carol Lippman asked Commerce where they think the interest rates will be. If the interest rates increase, then the portfolio risks losing value and no longer traded at a premium. The federal government has stated that they want to keep interest rates lower for longer. Mr. Colbert reported that the last time the federal government stated this, they were lower for 7 years. He does not believe that lower interest rates will stay low for long in this recovery. As the interest rates increase, Commerce bank has positioned the portfolio in a barbelled strategy which has a lot of short-term securities that will not go down in value. Mr. Colbert continues that Commerce has stayed away from 10-year and 20-year stocks because they are a riskier part of the bond market. The Board expressed concern that the Lehman Aggregate benchmark mandate may not be best for the portfolio in the years to come.

Commerce Bank Fixed Income Report

Fiduciary Advisors Quarterly Report

Todd Grizzle presented Fiduciary Advisors market update report. He reported that, as of 9/30/20, the strategic allocation was at 70/30. The money market/fixed income was at 28.8%. The equity portfolio time weighted year to date net return showed down 2.5%. Asset class performance showed large cap being the only category that has seen growth. This year has seen the largest disparity in value and growth among asset classes.

Fiduciary Advisors Equity Update

Actuarial Report as of July 1, 2020

Michael Zwiener presented the actuarial report from Milliman. Mr. Zwiener reported that there is not much difference between last year and this year. The investment yield was at 2.3% which is not great but to be expected with everything that has been going on. The funded ratios of market value basis and actuarial value basis went up compared to last year. This was due to the smoothing of assets. The approximate rate of return on the actuarial value was reported at 5%. Mr. Zweiner continued to report on the actuarially determined contribution. Back in 2015, the Pension Board decided to accelerate paying off the unfunded actuarial liability over a 10-year period which is why the City has two amortization payments. Mr. Zwiener recommended adopting a new mortality table for July 1, 2021. The current table in use is from 2000. If the plan continues to use the current mortality table, then the liabilities will continue to snowball as people live longer than expected.

Michael Karasick posed the question, has any government plan borrowed 5 million to pay off the entire plan at 2% funding rate and eliminate all the liabilities at 5 and 6 percent? Mr. Zwiener responded with no clients of Milliman that have government plans have ever done this with their pension plans. The Board continued discussion of if or could the City sell the pension plan to reduce expenses for the City in the future.

Mr. Zwiener continued the discussion by stating that the pension plan will start to have significant negative cash flow starting in 2025. The Pension board continued to discuss the fact that it will be harder and harder to make good returns when the plan contributions go from $1.3 million to $360,000 in 2025. The Board requested that the Milliman put together a graph that shows 2020 return projections at 4% and 5%.

FY21 Actuarial Valuation

CCC 2020 Projections

GASB 67 and 68 Disclosure

Lori Obermoeller wanted to disclose the GASB 67 for the Pension Board's reference. This report does go into the audit.

FY20 Gasb 67-68

OPEB Report (GASB 75 Disclosure)

FY20 GASB 75 Report

Annual Ethics Policy Review

The Pension Board discussed the annual ethics policy refresher.

Ethics Policy

Old Business

Tabled Discussion on Investment Policy Decision

Retirements

There are currently 10 potential retirees enrolled in the pension plan. The youngest employee enrolled is 38, most are over 50.

Michelle Wagoner - General Employee - Early Reduced Retirement 11/1/20
Zana (Mesey) Britton - Police Employee - Normal Retirement 10/1/18 (With 2 Years Back Pay)

Invoices

Invoice 7/22/20

Invoice 7/28/20

Adjournment

Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ted Armstrong, Board Member
SECONDER:	Ellen Lawrence, Council Liaison
AYES:	Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes, Hartman

Employee Pension Board of Trustees
Pension Board Meeting Minutes
October 21, 2020
4:00 PM
Online Meeting

Zoom Link by Web: https://us02web.zoom.us/j/84133674431

Zoom by Phone: 1-312-626-6799 Meeting ID: 84133674431

Call to Order

Jeff Hartman	Police Sgt
Ellen Lawrence	Council Liaison
David Caldwell	Vice Chair
Michael Karasick	Chair
Ted Armstrong	Board Member
Carol Lippman	Board Member
Brad Holmes	Employee Representative
Lori Obermoeller	Director of Finance
Peter Kim	Finance Manager
Jack Dwyer	Managing Director
Michael Pompian	Founder & CIO
Angela Pompian	VP
Corey Wangler	Principal

Approve Agenda

Motion to Approve Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ted Armstrong, Board Member
SECONDER:	Ellen Lawrence, Council Liaison
AYES:	Hartman, Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes

New Business

Sunpointe - Implementation Update

Mr. Karasick said the goal was to agree on the asset allocation and to see if the investment policy needs to be adjusted.

Jack Dwyer with Sunpointe went through the status of the market and then discussed the survey results. Mr. Dwyer stated that time horizon is the most important decision and diversification dampens volatility. He went over the implementation schedule, where he mentioned that they had met with Commerce on 10/15/2020 and that the Sunpointe Agreement went into effect on 10/20/2020. He wanted the focus of today's meeting to be asset allocation modeling and the selection of a target asset allocation.

Mr. Dwyer said that the survey results showed that most of the board members would invest up to 75% in equities. Ms. Lawrence said that there weren't enough options and the ranges were too big in the survey and she was not comfortable with 75%.

Mr. Karasick explained the difference in time weighted versus dollar weighted and said that we should focus on risk and not just rate.

Mr. Dwyer said that he would like to see one IPS instead of two like we currently have (1 for equity and 1 for fixed), but we can stick with two for now.

Mr. Dwyer explained the risk tolerance matrix and said that we probably fall in the long time horizon with a medium spending rate, which means we can take more risk now while the distribution rate is still low and before it goes up. Once the spending rate goes up, then we can move to a something more conservative plan.

Then there was a discussion about Commerce and how Commerce felt they were right where they should be. They had stated that they were managing the fixed income to our mandate and felt like we could look at higher yield bonds. Mr. Caldwell stated that he would like to hear from Sunpointe and see where they think we should be.

Mr. Dwyer said the survey responses were 50/50 on risk, which was more conservative than they expected. Carol Lippman said it is difficult to achieve 6.75% with low return environment.

Asset classes can be thought of as a football team where offense scores the points, but you need both offense and defense to work together. Asset Allocation examples were shown with a mix of passive and active management, including alternatives (yielding strategies). We can't do opportunistic yielding strategies if the plan is 100% passive, we would have to include some active. The Plan could move 10% in high end bonds if we wanted to drop equity from 70% down to 60%. Mr. Caldwell asked what do we do with Growth Value and what do we do in bonds? This is most important to Mr. Caldwell, not really the 70/30 decision.

Michael Pompian said that Commerce is doing the retiree payments and they are not willing to negotiate on fees. Sunpointe is comfortable with taking over the fixed income if we wanted them to, but then we would have to pay Commerce to do the retiree payments.

Mr. Karasick said he was comfortable with 70/30 like David and Brad had also stated and he would like to explore the bond piece.

Mr. Caldwell felt like Commerce was coasting along and there was so much more they could be doing. Mr. Pompian said we could keep enough in Core with Commerce (14%) and they do 14% in yielding strategies. Mr. Dwyer said they would want total US Allocation and manage around it and not be stuck around value or growth. And then have an international or emerging market allocation. He would want more of a neutral portfolio.

Mr. Karasick asked if everyone was comfortable with 70/30? Ted Armstrong made a motion to maintain 70/30 allocation and Mr. Caldwell seconded it with all in favor. Now step one of tonight's meeting has been accomplished. The next step is to decide if we want all passive for Equities as we indicated when we hired Sunpointe? Mr. Caldwell would like to hear options on what Sunpointe would do with Commerce first.

Mr. Dwyer said their model doesn't make assumptions between value and growth, but he would make a recommendation to eliminate value tilt since it is a low interest rate environment. Mr. Dwyer then showed an example of what he would recommend for the Plan's IPS, where he would have 37% in US All Cap, 8% in US High Quality, 12% in International Development, 4% in International Quality and 9% in Emerging Markets. And using the Vanguard Total Stock Market index, which has a lower fee. Mr. Caldwell said we need to look at our existing policy and revise it to match Sunpointe's recommendations. There would not be a separate REITS category, because it is in US All Cap.

A question was asked what indexes would Sunpointe use and when would they do rebalancing? Rebalancing at 2 and 20%. Mr. Dwyer said that he would like to have the Plan's IPS in a word format and they would replace the Strategic Asset Allocation chart based on their recommendations. Mr. Dwyer would show a side-by-side comparison. Mr. Caldwell asked what benchmarks we should be using on Fixed and Equity? Ms. Lawrence said she was happy with the neutral tilt over the value tilt with a 70/30 portfolio, because the risk with Sunpointe is less than what the risk was with Fiduciary Advisors. Mr. Karasick will work with Mr. Dwyer on format before setting the next meeting date.

Mr. Pompian gave his assessment on the market today. He stated that the election only matters for a short time. Really the markets don't care who wins the election, but they want to make sure there is a president. There could be some volatility. Are we in another tech bubble? Don't think so. With reduced amount of sports due to COVID, no betting was going on, so many turned to market trading.

Ms. Lippman made a motion to end the meeting at 5:57 p.m., seconded by Ms. Lawrence with all in favor.

Sunpointe Intro Meeting and CMO

Sunpointe - Capital Markets Overview

Sunpointe Market Environment Report 20Q4

Sunpointe - Review Results of Risk Tolerance Questionnaire
Sunpointe - Asset Allocation Discussion
Pension Contribution Payment

FY21 Resolution Pension Contribution

Old Business

Tabled Discussion on Investment Policy Decision

Creve Coeur IPS Revised May 2018

Creve Coeur IPS Commerce Fixed Income 2013

Adjournment

Employee Pension Board of Trustees
Pension Board Meeting Minutes
October 21, 2020
4:00 PM
Online Meeting

Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Carol Lippman, Board Member
SECONDER:	Ellen Lawrence, Council Liaison
AYES:	Hartman, Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes

Employee Pension Board of Trustees
Pension Board Meeting Minutes
November 17, 2020
4:00 PM
Online Meeting

By Web Link: https://us02web.zoom.us/j/82969176960

By Phone: 1-312-626-6799 Meeting ID: 82969176960

Call to Order

Jeff Hartman	Police Sgt
Ellen Lawrence	Council Liaison
David Caldwell	Vice Chair
Michael Karasick	Chair
Ted Armstrong	Board Member
Carol Lippman	Board Member
Brad Holmes	Employee Representative
Anne Cronin	Accounting Associate
Lori Obermoeller	Director of Finance
Peter Kim	Finance Manager

Approve Agenda

Motion to Approve Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Carol Lippman, Board Member
SECONDER:	Brad Holmes, Employee Representative
AYES:	Hartman, Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes

Sunpoint IPS

The Michael Karasick worked together with Sunpointe and David Caldwell to update the investment policy statement for the City's pension plan. The previous investment statement policy was split into 2 policies, one for fixed income and one for equity. The Board combined the two policies into one. The Board went over the changes that were made and decided on making the following extra changes to the draft:

- Change Discretionary Investment Manager and Equity Portfolio Manager to Discretionary Investment Advisor throughout the document
- Time Horizon - change from "…with the actuarial valuation…" to "…with the actuarial forecast…"
- Spending - change from "…over the next 5 years" to "…between 2020 and 2025"
- Asset Class and Investment Options - change from "REITS" to Real Estate, REITS is an alternative category
- Asset Class and Investment Options - add the major asset class to each asset class, for example, large blend, mid cap, and small cap under equity; real estate and infrastructure under alternatives; core and high yield under fixed, etc.
- Investment Selection - delete "(Alpha and/or Sharpe Ratio)" and "(waived for passive index funds)"
- Portfolio Rebalancing - reword the first sentence with David Caldwell's suggestion: "The advisor

will monitor the portfolio to identify deviations from the strategic allocation of 5% or more which would trigger a rebalancing back to the strategic allocation."

- Portfolio Rebalancing - change from "…does not exceed the upper or lower limits…" to "…does not exceed 5%…"
- Portfolio Rebalancing - delete 3rd paragraph

The Board requested another meeting for the following week to approve the revised IPS. They preferred to see the document with all changes made in this meeting.

Creve Coeur IPS Revised Draft Effective Oct 2020

Creve Coeur IPS Revised DraftEffective Oct 2020 with Tracked Changes

Adjournment

Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Carol Lippman, Board Member
SECONDER:	Ellen Lawrence, Council Liaison
AYES:	Hartman, Lawrence, Caldwell, Karasick, Armstrong, Lippman, Holmes

INVESTMENT POLICY STATEMENT

for the

Retirement Plan for Employees of the City of Creve Coeur

This investment policy statement should be reviewed and updated periodically. Any change to this policy should be communicated in writing on a timely basis to all interested parties.

EXECUTIVE SUMMARY

Type of Portfolio: Defined Benefit Pension Plan

Sponsor: City of Creve Coeur

Pension Board: Employee Pension Fund Board of Trustees ("Board")

Discretionary Investment Advisor: Sunpointe Investments.

Primary Portfolio Custodian: Charles Schwab & Co., Inc.

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target
Equity		70%
	US Equity	45
	Non-US Equity	25
Alternatives		0%
Fixed Income		30%
Cash		0%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

BACKGROUND

Administration of the City of Creve Coeur Employees' Pension Plan, including investment of plan funds, is the responsibility of The Board of Trustees, which is the named fiduciary, (Article VIII of the Plan dated June 26, 2001, as amended).

The plan is a frozen defined benefit pension plan for full time city employees meeting the plan eligibility requirements. Employees hired after May 23, 2006 are not eligible to participate in this plan.

STATEMENT OF OBJECTIVES

In establishing this Investment Policy, the Board has considered the fact that the Plan, together with social security, is the major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibility solely in the interests of such participants and their beneficiaries.

The purpose of a formal Investment Policy is to identify and establish investment objectives and guidelines that are realistic over variable market environments and appropriate to the funding requirements of the plan. The investment policy statement serves as the cornerstone of which all investment decisions will be made in order to achieve the long-term goals of the Board and will also serve as a standard by which to measure investment performance.

The basic goal underlying the establishment of this policy is to provide that the assets of the Plan shall be invested in a prudent manner, and that together with expected contributions to the Plan they will be sufficient to meet the obligations of the Plan.

Time Horizon
The investment guidelines are based upon a 20-year investment horizon with the ability to pay current and future obligations. The time horizon should be reviewed at least annually to coincide with the actuarial forecast of gross and net distributions.

Spending
The net distribution rate from the portfolio is expected to be less than 4% per year between 2020 and 2025 . In 2026, net distributions are expected to jump to approximately 7% of the portfolio and grow steadily after that due to the closed nature of the plan.

Risk Tolerances
The Board recognizes that some risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered.

The Portfolio's long time horizon, current financial condition and other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated in order to achieve the longer-term objectives.

Performance Expectations

The desired investment objective is a rate of return on assets that, before fees, matches the policy index as defined later in this IPS.

DUTIES AND RESPONSIBILITIES

Board

As a fiduciary under the Portfolio, the Board is responsible for the following items with respect to this IPS:

1. Approving and maintaining this IPS.

2. Monitoring and supervising the Advisors for adherence to this IPS, including any limitations.

3. Controlling and monitoring all investment, record keeping and administrative expenses associated with the Portfolio.

4. Avoiding prohibited transactions and conflicts of interest.

Custodian

Custodians are responsible for the safekeeping of the Portfolio's assets. The specific duties and responsibilities of the custodian are:

1. Value the holdings.
2. Collect all income and dividends owed to the Portfolio.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Portfolio since the previous report.
5. Maintain separate accounts by legal registration.

Discretionary Investment Advisor

As distinguished from the Board, who is responsible for establishing and monitoring the investment objectives, the Advisor is responsible for making investment decisions. As a fiduciary, the specific duties and responsibilities of the Advisor are to:

1. Manage the Portfolio in accordance with the guidelines and objectives outlined in this IPS.

2. Exercise full investment discretion with regard to adding, replacing, and managing the investment of the Portfolio.

3. Communicate to the Board all investment changes pertaining to the Portfolio's investments.

4. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent investment professional acting in a like capacity and familiar with such matters would use in the conduct of like activities for like not for profit organization investment portfolios with like aims and in accordance and compliance with the documents governing the Portfolio, (insofar as such documents are consistent with applicable laws), and all applicable laws, rules, and regulations.

ASSET CLASS AND INVESTMENT OPTIONS

The following asset classes, along with appropriate Index and Peer comparisons, have been selected by the Advisor and approved by the Board:

Asset Class	Major Asset Class	Index Comparison	Peer Group Comparison
Money Market	Cash	90 day T-Bills	Money Market Database
US All-Cap	Equity	CRSP US Total Market Index	Large Blend
Large Blend	Equity	S&P 500	Large Blend
Mid Cap	Equity	S&P Midcap 400	Mid Blend
Small Cap	Equity	S&P 600	Small-Cap Blend
International-Developed	Equity	FTSE Developed All Cap ex US Index	Foreign Large Blend
Emerging Markets	Equity	FTSE Emerging Markets All Cap China A Inclusion Index	Diversified Emerging Markets
Real Estate	Alternatives	FTSE EPRA NAREIT Global REIT	Real Estate
Commodities	Alternatives	Bloomberg Commodity TR	Commodities Broad Basket
Infrastructure	Alternatives	S&P Global Infrastructure	Infrastructure
Core Fixed Income	Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Intermediate Core Bond
High Yield Fixed Income	Fixed Income	Bloomberg Barclays High Yield	High Yield Bond

Communication: Creve Coeur IPS Revised Final (IPS Approval)

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target
Equity		70%
	US Equity	45
	Non-US Equity	25
Alternatives		0%
Fixed Income		30%
Cash		0%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

Prohibited Investment Activity:

Investment activity in the following is specifically prohibited without the Board's written permission (does not include underlying investments of mutual funds or ETFs)

1. Commodity trading including all futures contracts
2. Purchasing of letter stock
3. Short selling
4. Option trading
5. Stock loans
6. Securities of the investment advisor, the custodian, or their parent or affiliate
7. Pledging assets as collateral

INVESTMENT SELECTION

The Advisor will apply the following due diligence criteria in selecting an investment fund (Fund) option.

Regulatory oversight: Each Fund should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment adviser.

Correlation to style or peer group: The Fund should be highly correlated to the asset class of the investment option.

Performance relative to a peer group: The Fund's performance should be evaluated against the peer group's median manager's return, for one-, three- and five-year cumulative periods (waived for passive index funds).

Performance relative to assumed risk: The Fund's risk-adjusted performance should be evaluated against the peer group's median manager's risk-adjusted performance.

Minimum track record: The Fund's inception date should be greater than three years (waived for passive index fund, fund of funds or funds with other share classes with at least a three-year performance history).

Assets under management: The Fund should have at least $75 million under management.

Holdings consistent with style: The Fund should have no more than 20% of the portfolio invested in "unrelated" asset class securities.

Expense ratios/fees: The Fund's fees should not be in the bottom quartile (most expensive) of its peer group.

Stability of the organization: There should be no perceived organizational problems with the mutual fund complex sponsoring the Fund.
The same portfolio management team should be in place for at least two years (waived for passive index funds).

Fund performance and risk measures will be evaluated not only as of the most recent snapshot period, but also from the analysis of performance and risk on a rolling three-year basis.

MONITORING PROCEDURES

The Board acknowledges that rates of return can be volatile in the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Board intends to evaluate investment performance from a long-term perspective.

The Board is aware ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Board's discretion to take corrective action by replacing a Manager if they deem it appropriate at any time.

On a timely basis, but not less than semi-annually, the Board will meet to review:

1. Advisor's adherence to this IPS;

2. The performance of the various managers as compared to the weighted returns of the policy indexes indicated below:

Primary Blended Global Policy Index

Index	Percentage
MSCI ACWI All Cap	70%
Bloomberg Barclays US Agg Bond Index	30%

Primary Equity Portfolio Policy Index

Index	Percentage
MSCI ACWI All Cap	100%

Primary Fixed Income Portfolio Policy Index

Index	Percentage
Bloomberg Barclays US Agg Bond Index	100%

Secondary Blended Portfolio Policy Index

Index	Percentage
CRSP US Total Market Index	45%
FTSE Developed All Cap ex US Index	16%
FTSE Emerging Markets All Cap China A Inclusion Index	9%
Bloomberg Barclays US Agg Bond Index	30%

Actuarial Index: Actuarial Target Return

Communication: Creve Coeur IPS Revised Final (IPS Approval)

3. The performance of the Portfolio's investments subject to this IPS;

   a. Each fund's performance compared to an appropriate index and peer group as designated in this IPS.

4. Material changes in the Advisor's organization and/or personnel; and,

5. Any legal, SEC and/or other regulatory agency proceedings affecting the Advisor.

Portfolio Rebalancing

The Advisor will monitor the portfolio such that any deviation of 5% or more from the strategic allocation will trigger a rebalancing event.

The portfolio can be rebalanced even if the allocation does not exceed the 5% deviation at the discretion of the Discretionary Investment Advisor.

Measuring Costs

The Board will review at least annually all costs associated with the management of the Portfolio's investment program, including:

1. Expense ratios of each investment against the appropriate peer group.
2. Custody/Trustee Fees: The holding of the assets, collection of the income and disbursement of payments, transaction or commission fees.
3. Discretionary investment management fee.
4. Administrative Fees: Costs to administer the Portfolio, including recordkeeping, account settlement, and allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees (or other soft dollar arrangements) to offset these fees.

The Discretionary Investment Advisor will provide reports with the following information to assist in the Board's review of plan fees:

1. Each funds' expense ratio compared to the Morningstar peer group.
2. Report showing all transaction fees from the custodian.
3. Report showing actual fees charged by the Investment Advisor.
4. Report showing any administrative fees (if applicable) associated with the portfolio.

As a result of this review process, the Board may decide to add, delete or change services or service providers.

INVESTMENT POLICY REVIEW

The Advisor and the Board will review this IPS periodically to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Approved:

EMPLOYEE PENSION FUND BOARD OF TRUSTEES

By:____ Date:____________________

Name:_____________________________________

Title: _____________________________________

Approved:

Sunpointe Investments
Discretionary Investment Advisor

By:____ Date:____________________

Name: **Jack Dwyer**

Title: **Managing Director**

INVESTMENT POLICY STATEMENT

for the

Retirement Plan for Employees of the City of Creve Coeur

Communication: Draft IPS with Changes Tracked (IPS Approval)

This investment policy statement should be reviewed and updated periodically. Any change to this policy should be communicated in writing on a timely basis to all interested parties.

EXECUTIVE SUMMARY

Type of Portfolio: Defined Benefit Pension Plan

Sponsor: City of Creve Coeur

Pension Board: Employee Pension Fund Board of Trustees ("Board")

Discretionary ~~Equity Portfolio~~ Investment Manager: ~~Fiduciary Advisors, Inc~~Sunpointe Investments.

~~Equity~~ Primary Portfolio Custodian: Charles Schwab & Co., Inc.

~~**Discretionary Fixed Income Portfolio Investment Manager:**~~ ~~Commerce Trust Company~~

~~**Fixed Income Portfolio Custodian:**~~ ~~Commerce Trust Company~~

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		~~64~~ 70%	~~59~~ 60%	~~69~~ 75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		~~6~~ 0%	~~1~~ 0%	~~11~~ 20%
Fixed Income		30%	25%	40~~35~~%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

~~**Equity/Alternative Portfolio**~~	~~Strategic Allocation~~	~~Lower Limit~~	~~Upper Limit~~
~~Money Market~~	~~0%~~	~~0%~~	~~2%~~
~~Large Blend~~	~~32%~~	~~27%~~	~~37%~~
~~Large Value~~	~~6%~~	~~4%~~	~~8%~~

~~Mid Cap~~	~~7%~~	~~5%~~	~~9%~~
~~Small Cap~~	~~11%~~	~~8%~~	~~14%~~
~~Small Value~~	~~2%~~	~~1%~~	~~3%~~
~~International- Large~~	~~25%~~	~~20%~~	~~30%~~
~~International- Small~~	~~8%~~	~~6%~~	~~10%~~
~~REITS~~	~~5%~~	~~3%~~	~~7%~~
~~Commodities~~	~~4%~~	~~2%~~	~~6%~~

~~**Fixed Income**: See Fixed Income Investment Guidelines as approved by the Board and adopted by Commerce Trust Company.~~

BACKGROUND

Administration of the City of Creve Coeur Employees' Pension Plan, including investment of plan funds, is the responsibility of The Board of Trustees, which is the named fiduciary, (Article VIII of the Plan dated June 26, 2001, as amended).

The plan is a frozen defined benefit pension plan for full time city employees meeting the plan eligibility requirements. Employees hired after May 23, 2006 are not eligible to participate in this plan~~. Lump sum payments are not a distribution option.~~

STATEMENT OF OBJECTIVES

In establishing this Investment Policy, the Board has considered the fact that the Plan, together with social security, is the major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibility solely in the interests of such participants and their beneficiaries.

The purpose of a formal Investment Policy is to identify and establish investment objectives and guidelines that are realistic over variable market environments and appropriate to the funding requirements of the plan. The investment policy statement serves as the cornerstone of which all investment decisions will be made in order to achieve the long-term goals of the Board and will also serve as a standard by which to measure investment performance.

The basic goal underlying the establishment of this policy is to provide that the assets of the Plan shall be invested in a prudent manner, and that together with expected contributions to the Plan they will be sufficient to meet the obligations of the Plan.

Time Horizon

The investment guidelines are based upon a ~~long term~~20-year investment horizon with the ability to pay current and future obligations. ~~The Plan's strategic asset allocation~~The time horizon should be reviewed at least annually to coincide with the actuarial valuation of gross and net

Communication: Draft IPS with Changes Tracked (IPS Approval)

distributions. ~~is also based on this long-term perspective.~~

Spending
The net distribution rate from the portfolio is expected to be less than 4% per year over the next 5 years. In 2026, net distributions are expected to jump to approximately 7% of the portfolio and grow steadily after that due to the closed nature of the plan.

Risk Tolerances
The Board recognizes that some risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered.

The Portfolio's long time horizon, current financial condition and other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated in order to achieve the longer-term objectives.

Performance Expectations

The desired investment objective is a rate of return on assets that, before fees, matches the policy index as defined later in this IPS.

DUTIES AND RESPONSIBILITIES

Board

As a fiduciary under the Portfolio, the Board is responsible for the following items with respect to this IPS:

1. Approving and maintaining this IPS.

2. Monitoring and supervising the Managers for adherence to this IPS, including any limitations.

3. Controlling and monitoring all investment, record keeping and administrative expenses associated with the Portfolio.

4. Avoiding prohibited transactions and conflicts of interest.

Custodian

Custodians are responsible for the safekeeping of the Portfolio's assets. The specific duties and responsibilities of the custodian are:
1. Value the holdings.
2. Collect all income and dividends owed to the Portfolio.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Portfolio since the previous report.
5. Maintain separate accounts by legal registration.

Discretionary Investment Manager

As distinguished from the Board, who is responsible for establishing and monitoring the investment objectives, the Manager is responsible for making investment decisions. As a fiduciary ~~as defined in the Investment Advisors Agreement dtd 07/02/2013~~, the specific duties and responsibilities of the Manager are to:

1. Manage the Portfolio in accordance with the guidelines and objectives outlined in this IPS.

2. Exercise full investment discretion with regard to adding, replacing, and managing the investment of the Portfolio.

3. Communicate to the Board all investment changes pertaining to the Portfolio's investments.

4. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that a prudent investment professional acting in a like capacity and familiar with such matters would use in the conduct of like activities for like not for profit organization investment portfolios with like aims and in accordance and compliance with the documents governing the Portfolio, (insofar as such documents are consistent with applicable laws), and all applicable laws, rules, and regulations.

ASSET CLASS AND INVESTMENT OPTIONS

The following asset classes, along with appropriate Index and Peer comparisons, have been selected by the Manager and approved by the Board:

~~Equity Portfolio Asset Classes~~:

Asset Class	Index Comparison	Peer Group Comparison
Money Market	90 day T-Bills	Money Market Database
US All-Cap	CRSP US Total Market Index	Large Blend
Large Blend	S&P 500	Large Blend
~~Large Value~~	~~MSCI US Prime Mkt Value~~	~~Large Value~~
Mid Cap	~~MSCI US Mid Cap 450~~S&P Midcap 400	Mid Blend
Small Cap	~~MSCI US Small Cap 1750~~S&P 600	Small-Cap Blend
~~Small Value~~	~~MSCI US Small Cap Value~~	~~Small Cap Value~~
International-~~Large~~Developed	FTSE Developed All Cap ex US Index ~~MSCI ACWI ex US NR USD~~	Foreign Large Blend
~~International-Small~~Emerging Markets	FTSE Emerging Markets All Cap China A Inclusion Index~~MSCI ACWI ex US Small Cap~~	Diversified ~~Foreign Small/Mid~~Emerging Markets
REITS	~~MSCI US REIT~~FTSE EPRA NAREIT Global REIT	Real Estate

Commodities	Bloomberg Commodity TR	Commodities Broad Basket
Infrastructure	S&P Global Infrastructure	Infrastructure
Core Fixed Income	Bloomberg Barclays US Aggregate Bond Index	Intermediate Core Bond
High Yield Fixed Income	Bloomberg Barclays High Yield	High Yield Bond

Strategic Asset Allocation:

Major Asset Class	Sub Asset Class	Strategic Allocation Target	Lower Limit	Upper Limit
Equity		70%	60%	75%
	US Equity	45	35	55
	Non-US Equity	25	15	35
Alternatives		0%	0%	20%
Fixed Income		30%	25%	40%
Cash		0%	0%	5%

US Small- and Mid-cap equities may not be more than 50% of the total US equity allocation.
The overweight to growth or value stocks may not be more than 20% relative to the core asset class benchmark.
Emerging market equities may not be more than 20% of the total equity allocation.
The total of below investment grade bonds and emerging market debt may not be more than 15% of the fixed income allocation.

~~Equity Portfolio Policy Index~~

~~Index~~	**~~Percentage~~**
~~S&P 500~~	~~32%~~
~~MSCI US Prime Mkt Value~~	~~6%~~
~~MSCI US Mid Cap 450~~	~~7%~~
~~MSCI US Small Cap 1750~~	~~11%~~
~~MSCI US Small Cap Value~~	~~2%~~
~~MSCI ACWI ex US NR USD~~	~~25%~~
~~MSCI ACWI ex US Small Cap~~	~~8%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity TR~~	~~4%~~

~~Fixed Income Portfolio:~~

~~Asset Class~~	**~~Index Comparison~~**	**~~Peer Group Comparison~~**
~~U.S. Intermediate Term Bond~~	~~Barclays US Aggregate Bond Index~~	~~Intermediate Term Bond~~

~~***Fixed Income Portfolio Policy Index:***~~

~~**Index**~~	~~**Percentage**~~
~~Barclays US Agg Bond Idx~~	~~100%~~

~~**Fixed Income Investment Policy:**~~ ~~See separate Fixed Income Investment Policy~~

Prohibited Investment Activity:

Investment activity in the following is specifically prohibited without the Board's written permission (does not include underlying investments of mutual funds or ETFs)

1. Commodity trading including all futures contracts
2. Purchasing of letter stock
3. Short selling
4. Option trading
5. Stock loans
6. Securities of the investment manager, the custodian, or their parent or affiliate
7. Pledging assets as collateral

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INVESTMENT SELECTION

The Equity Portfolio Manager will apply the following due diligence criteria in selecting an investment fund (Fund) option.

Regulatory oversight: Each Fund should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment adviser.

Correlation to style or peer group: The Fund should be highly correlated to the asset class of the investment option.

Performance relative to a peer group: The Fund's performance should be evaluated against the peer group's median manager's return, for one-, three- and five-year cumulative periods (waived for passive index funds).

Performance relative to assumed risk: The Fund's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance (waived for passive index funds).

Minimum track record: The Fund's inception date should be greater than three years (waived for passive index fund, fund of funds or funds with other share classes with at least a three-year performance history).

Assets under management: The Fund should have at least $75 million under management.

Holdings consistent with style: The Fund should have no more than 20% of the portfolio invested in "unrelated" asset class securities.

Expense ratios/fees: The Fund's fees should not be in the bottom quartile (most expensive) of its peer group.

Stability of the organization: There should be no perceived organizational problems with the mutual fund complex sponsoring the Fund.
The same portfolio management team should be in place for at least two years (waived for passive index funds).

Fund performance and risk measures will be evaluated not only as of the most recent snapshot period, but also from the analysis of performance and risk on a rolling three-year basis.

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MONITORING PROCEDURES

The Board acknowledges that ~~fluctuating~~ rates of return ~~characterize~~ can be volatile in the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Board intends to evaluate investment performance from a long-term perspective.

The Board is aware ~~the~~ ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Board's discretion to take corrective action by replacing a Manager if they deem it appropriate at any time.

On a timely basis, but not less than semi-annual, the Board will meet to review:

1. Manager's adherence to this IPS;

2. The performance of the various managers as compared to the weighted returns of the policy indexes indicated below:

~~Primary Equity Portfolio Policy Index~~

~~Index~~	~~Percentage~~
~~S&P 500~~	~~32%~~
~~MSCI US Prime Mkt Value~~	~~6%~~
~~MSCI US Mid Cap 450~~	~~7%~~
~~MSCI US Small Cap 1750~~	~~11%~~
~~MSCI US Small Cap Value~~	~~2%~~
~~MSCI EAFE~~	~~25%~~
~~MSCI EAFE Small Cap~~	~~8%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity~~	~~4%~~

~~Secondary Equity Portfolio Policy Index~~

~~Primary~~ Secondary Blended Portfolio Policy Index

Index	Percentage
CRSP US Total Market Index~~S&P 500~~	45~~22~~%
FTSE Developed All Cap ex US Index	16%
FTSE Emerging Markets All Cap China A Inclusion Index	9%
Bloomberg Barclays US Agg Bond Index	30%

~~Index~~	~~Percentage~~
~~MSCI US Broad Market~~	~~58%~~
~~MSCI ACWI ex USA IMI~~	~~33%~~
~~MSCI US REIT~~	~~5%~~
~~Bloomberg Commodity~~	~~4%~~

~~Third Global~~Primary Equity Portfolio Policy Index

Index	Percentage
MSCI ACWI All Cap	100%

Primary Fixed Income Portfolio Policy Index

Index	Percentage
Bloomberg Barclays US Agg Bond Index	100%

Primary Blended Global Policy Index

Index	Percentage
MSCI ACWI All Cap	70%
Bloomberg Barclays US Agg Bond Index ~~Barclays Multiverse~~	30%

Actuarial Index: Actuarial Target Return

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3. The performance of the Portfolio's investments subject to this IPS;

    a. Each fund's performance compared to an appropriate index and peer group as designated in this IPS.

4. Material changes in the Manager's organization and/or personnel; and,

5. Any legal, SEC and/or other regulatory agency proceedings affecting the Manager.

Portfolio Rebalancing

The portfolio will be reviewed at least quarterly to determine if the allocation is within the upper and lower limits as established in this Investment Policy. If the portfolio's allocation exceeds the upper or lower limits of this Investment Policy, the portfolio will be rebalanced to put the portfolio back within the approved ranges of this Investment Policy.

The portfolio can be rebalanced even if the allocation does not exceed the upper or lower limits at the discretion of the Discretionary Investment Manager.

If either of the components of the Primary Blended Global Policy Index differs from their target by more than 5% it will trigger the discretionary manager to contact the Chairman of the Investment Committee.

Measuring Costs

The Board will review at least annually all costs associated with the management of the Portfolio's investment program, including:

1. Expense ratios of each investment against the appropriate peer group.

2. Custody/Trustee Fees: The holding of the assets, collection of the income and disbursement of payments, transaction or commission fees.

3. Discretionary investment management fee.

4. Administrative Fees: Costs to administer the Portfolio, including recordkeeping, account settlement, and allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees (or other soft dollar arrangements) to offset these fees.

The Equity Discretionary Investment Manager will provide reports with the following information to assist in the Board's review of plan fees:

1. Each funds' expense ratio compared to the Morningstar peer group.

2. Report showing all transaction fees from the custodian.

3. Report showing actual fees charged by the Investment Manager.

4. Report showing any administrative fees (if applicable) associated with the equity portfolio.

As a result of this review process, the Board may decide to add, delete or change services or service providers.

INVESTMENT POLICY REVIEW

The Manager and the Board will review this IPS periodically to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Approved:

EMPLOYEE PENSION FUND BOARD OF TRUSTEES

By:_______________________________________ Date:____________________

Name:_____________________________________

Title: _____________________________________

Approved:

~~FIDUCIARY ADVISORS, INC.~~Sunpointe Investments
Discretionary ~~Equity~~ Investment Manager

By:_______________________________________ Date:____________________

Name: ~~**Todd Grizzle**~~**Jack Dwyer**

Title: ~~**V.P. Investments**~~**Managing Director**

Communication: Draft IPS with Changes Tracked (IPS Approval)

Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Re: COLA Increase + projection exhibit

1 message

Mark Perkins <mperkins@crevecoeurmo.gov> Thu, Oct 15, 2020 at 6:40 PM
To: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

I don't think we should spend the money yet.

Mark Perkins
City Administrator
City of Creve Coeur
300 N. New Ballas Road
Creve Coeur, MO 63141
314-872-2511

On Oct 15, 2020, at 4:54 PM, Lori Obermoeller <lobermoeller@crevecoeurmo.gov> wrote:

The COLA costs similar to Conduent's in 2017, is $700. Do you want him to proceed? He can have it middle of next week if you want it done.

Lori Obermoeller, MBA, CPFO
Director of Finance
City of Creve Coeur
300 N. New Ballas Road
Creve Coeur, MO 63141
314-872-2519 (office)
314-348-9048 (cell)

---------- Forwarded message ---------
From: **Michael Zwiener** <michael.zwiener@milliman.com>
Date: Thu, Oct 15, 2020 at 4:51 PM
Subject: RE: COLA Increase + projection exhibit
To: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Lori

The Cola increase studyette, closely following the methodology and format of what Conduent did in 2017 will take a budget of about $700. It can be finished by the middle of next week.

The projection exhibit you requested will be finished by tomorrow a.m. I will email a pdf to you in the morning for your inspection.

Michael J. Zwiener, FSA, MAAA**, EA**

Principal and Consulting Actuary

Milliman

500 N Broadway, Suite 1750

Saint Louis, MO 63102 USA

+1 314 231 3031 Office

+1 314 446 5605 Direct

+1 314 570 0522 Mobile

From: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>
Sent: Wednesday, October 14, 2020 2:07 PM
To: Michael Zwiener <michael.zwiener@milliman.com>
Subject: COLA Increase

Mike,

In 2017, we had Conduent do a one-time cost estimate for a COLA for the existing retirees (see attached). Could you tell me what you would charge to do a one-time COLA estimate? And how long it would take you to do? Thanks.

Lori Obermoeller, MBA, CPFO

Director of Finance

City of Creve Coeur

300 N. New Ballas Road

Creve Coeur, MO 63141

314-872-2519 (office)

314-348-9048 (cell)

From:	Mark Perkins
To:	"Dennis Spoerry"
Cc:	Lori Obermoeller (lobermoeller@crevecoeurmo.gov)
Subject:	RE: DB pension
Date:	Thursday, October 22, 2020 9:34:00 AM

Hi Denny, I hope you are doing well.

While the Legacy plan will not be paid off in 2025, the city's required contribution is expected to be dramatically reduced if actuarial projections hold true. At the same time, the city will continue to see rising LAGERS costs as more employees enter that plan.

The last COLA provided by the city for the legacy plan members occurred around 2003, whereby the city contributed a lump sum to the plan for this sole purpose. Retirees received a percentage increase in their pension based on the number of years they had been retired. This was essentially a one-time approach. Another option would be to amend the pension plan for an ongoing COLA, as you suggested, but this will likely be much more costly.

I will share your request and suggestions with the City Council and the Employee Pension Board. The City Council and Pension Board are scheduled to meet (via zoom) jointly to review the annual actuarial report on November 23, 6 pm.

Sincerely,

Mark C. Perkins
City Administrator, ICMA-CM
City of Creve Coeur
300 N. New Ballas Road
Creve Coeur, MO 63141
314-872-2515
www.crevecoeurmo.gov

From: Dennis Spoerry [mailto:dennisspoerry@gmail.com]
Sent: Wednesday, October 21, 2020 9:28 PM
To: mperkins@crevecoeurmo.gov
Subject: DB pension

Mr. Perkins,

It is my understanding there is another round of interest concerning a COLA for those under the legacy Defined Benefit (DB) retirement plan. According to past employees, the last COLA bonus was around 2001-2002 for a specific amount. As the current employees have a designated COLA of up to 4% a year under their new plan it would seem appropriate to upgrade the legacy employees to some COLA package. While there is no language in the present DB plan regarding a COLA, it would seem that it could be augmented to support a change.

I know the DB legacy plan will be paid off (if that is the correct term) around 2025 which would free up some considerable funds that could be applied for a COLA. With Prop P funding of some $800+K a year (before COVID pandemic) for officer salaries, perhaps this offset from our budget could also help in the COLA funding.

I have always maintained there should be a waiting period of 5 years after retirement begins before a COLA could kick in. Beginning the sixth year a COLA would be added to the employee's yearly retirement benefit. Chief Eidman had a proposal several years ago but it didn't address the continuing funding for the DB employee.

Dennis Spoerry

dspoerry@sbcglobal.net

Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

RE: Creve Coeur Pension

1 message

Mark Perkins <mperkins@crevecoeurmo.gov> Fri, Oct 16, 2020 at 2:20 PM
To: Terri & George Hodak <htg518@sbcglobal.net>
Cc: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Hi George, it's good to hear from you.

The notion of providing current retirees with a COLA has been discussed from time to time, most recently about 3 years ago. Unlike some pension plans, the city's DB (legacy) plan does not provide a provision for a regular COLA adjustment, so any such action is beyond the scope or financial projections of the plan. The city provided a one-time COLA to retirees in (or about) 2003, and not since then.

The City Council last discussed the possibility of providing a COLA in 2017. At that time, one of the significant obstacles was the funding level of the pension fund, which for many years has been under the 80% funding minimum requirement (by statute) for any new benefits to be offered by a pension plan. The plan funding reached the 80% level over the last two years.

Another issue is the state of city revenues, which has required the city to significantly curtail expenditures.

I will share your request with the City Council as well as the Employee Pension Board, which are scheduled to meet jointly (via zoom) at the November 23 work session to review the actuarial report.

Sincerely,

Mark C. Perkins

City Administrator, ICMA-CM

City of Creve Coeur

300 N. New Ballas Road

Creve Coeur, MO 63141

314-872-2515

www.crevecoeurmo.gov

Communication: COLA Emails from Pension Retirees (COLA Emails)

From: Terri & George Hodak [mailto:htg518@sbcglobal.net]
Sent: Friday, October 16, 2020 11:12 AM
To: Mark Perkins <mperkins@crevecoeurmo.gov>
Subject: Creve Coeur Pension

Sir:

I've been retired from the Creve Coeur Police Department for over 8 years now. I am still in contact with several of my former co-workers who have been retired for much longer than I. Since I retired we have never received a COLA. My associates tell me that they have not received a COLA for a long time either.

It seems to me (I will not speak for the others) the City of Creve Coeur merely 'tolerates' the fact that it has to pay its retirees a pension and forgets the years of service we all gave to the it. I'd like to mention here that a recent article in the paper about the new bomb dog mentions that the CCPD has always been a "leader" in law enforcement. You can attribute much of that to the past performances of the retirees.

Years ago we were told that the City's pension fund had to be funded at 75-80% before a COLA for retirees was considered. I have since learned that the City is at that point now. Yet the retirees have not been updated about this at all.

Speaking for myself (but probably for the others too) I would like to know where the City stands on the COLA issue? Please let us know what the current status is...

Sincerely,

George Hodak (DSN 51 retired)

Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

RE: Letter about retirement pay

1 message

Mark Perkins <mperkins@crevecoeurmo.gov> Thu, Nov 19, 2020 at 8:44 AM
To: phillip johnson <blackhawk399@att.net>
Cc: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Phil,

It's good to hear from you, and thank you for sharing your thoughts and concerns regarding the pension plan.

As you know, the city's pension plan does not provide for a cost of living adjustment. A one-time adjustment was provided to retirees around 2003 but not since. Within a few years after the last cola, the plan's funding level was significantly hurt by the 2008 market collapse and the city has been working to improve its position ever since. In fact, the city for many years committed more funding to the plan than actuarially recommended, indicative of the city's commitment to ensuring a stable and reliable pension plan for retirees.

Only in the last two years has the plan reached 80% funding, the minimum required under state law before any benefit enhancements could be considered. The city is currently facing a myriad of financial challenges brought on by years of stagnant sales tax exacerbated by the economic impact of the pandemic.

I will share your letter with the City Council, who meets annually with the Employee Pension Board to review the state of the pension plan. This meeting will occur during the November 23 work session, 6 pm, available to view or listen via Zoom. The agenda and zoom link will be posted to the city's web page by the end of business today.

Thank you again for sharing your concerns.

Sincerely,

Mark C. Perkins

City Administrator, ICMA-CM

City of Creve Coeur

300 N. New Ballas Road

Creve Coeur, MO 63141

314-872-2515

www.crevecoeurmo.gov

From: phillip johnson [mailto:blackhawk399@att.net]
Sent: Wednesday, November 18, 2020 7:21 PM
To: Mark Perkins <mperkins@crevecoeurmo.gov>
Subject: Letter about retirement pay

From:

Phillip Johnson

Honorably Retired Police Officer

City of Creve Coeur, Missouri

To:

Mr. Mark Perkins

City Administrator

Creve Coeur, Missouri

Mr. Perkins it has come to my attention that the Legacy Defined Benefit Retirement Plan that I fall under, since my retirement in 2007, is close to being fully funded, (85%). This would place it at a value that could sustain a one-time retired pay increase for the retired employees and maybe a yearly COLA that would help offset the rising cost of living. I'm not fully knowledgeable on both the Legacy Defined Benefit Retirement Plan and the newly adopted L.A.G.E.R's Retirement Plan, but have heard that the L.A.G.E.R's plan does have a COLA clause of up to 4% a year in it.

I have been a constant supporter and positive vocal retired employee that has always promoted the City of Creve Coeur. As an Instructor at the Eastern Missouri Police Academy, I have stayed in touch with Chief Eidman and offered my opinion about young Recruits that express a desire to seek employment with the Police Department that would continue to provide the best Police Officers to carry on the tradition of providing the excellent service to the businesses and residents.

I served honorably for over 30 years with Creve Coeur Police Department, I find it necessary to voice my opinion about the disparity between the old retirement plan and the new one. I understand that Chief Eidman has in the past proposed to try to make the two different plans more evenly balanced. I have also been informed that the way new employees are evaluated vs how we older employees were, makes it easier to achieve pay step increases and with a COLA. Again, I am only voicing my thoughts as to making the older retired employees pay plan a more fair and equitable plan to what the newer retired employees will receive.

I would appreciate any information that you can provide to either substantiate or decline a reasonable outcome to this uneven treatment of dedicated retired employees.

With the upmost respect for you and the City of Creve Coeur,

Sincerely;

Retired Creve Coeur Police Officer,

Major Frank D. Harris (RET)

2500 Edwards Drive, Apt 1113 Ft. Myers, FL 33901 239- 994-3193 | fdheth@yahoo.com

Mr. Mark Perkins, City Administrator
City of Creve Coeur
300 N. New Ballas Road
63141

Dear Mr. Perkins

I hope this letter finds you in good health. In these trying times running a city is extremely difficult. I know however you are doing an outstanding job as you always have.

Recently I became aware the city administration may open discussion regarding retirees. If this is true I would like to voice my opinion on the subject.

Since I retired in 1999 after 31 years with the police department I have only received a onetime increase about a year after I retired. In nearly twenty two years retirees have received no increase not even a COLA.

I urge you and the pension board to rectify this situation based on the consumer Price Index (CPI).

You and the mayor have always been staunch supporters of the police department so I ask your support in remembering those who contributed so much to the city.

Sincerely,

Major Frank D. Harris, (RET)
Creve Coeur Missouri Police Department