

## P&F RETIREMENT FUND PB

# MINUTES

City of Berkeley Council Chambers

8425 Airport Road

Berkeley, MO 63134

November 29<sup>th</sup>, 2018

5:30 p.m. – 6:30 p.m.

**Call to order.** Meeting was called to order by Chairman Jim Linhardt at 17:30. Roll Call: Board Members: Jim Linhardt-Present; Emmalene Mitchell-Present; Ms. Burks-Present; Maj. Art Jackson-Present; Debra Irvin-Absent; and Keidra King-Present; and Bob Schneider-Present. Guests: Finance Department employees Paula Battle; Jim Singer- Pension Attorney; Barry Bryant, CFA-Dahab (Investment Advisor).

**Approval of minutes from previous meeting.** Motion by Trustees Schneider and second by Trustee Burks to approve the minutes from the September 27<sup>th</sup>, 2018 meeting. Motion passes unanimously.

**Investment consultant report (Barry Bryant from Dehab Associates).**

Barry Bryant presented the 3rd quarter investment report and an update through September 28<sup>th</sup>, 2018. Barry reported that the economy generated strong GDP growth of 4.2% for Q2 and an advanced estimate of 3.5% for Q3. The unemployment rate fell near a record low of 3.7% in September. The Pension Fund has earned 8.3% for the year to date fiscal year. The market volatility was relatively high. Domestic stocks did well this quarter with an above average return while foreign stock are still down. The Federal Reserve Board once again raised the Fed funds rate ¼%, to a range of 2.0% to 2.25%. The Russell 1000 Growth Index shot up 9.2% for the Quarter while the Russell 1000 Value index climbed to a lesser 5.7%. The Russell 2000 Growth Index was up 5.5% compared to 1.6% for the Russell 2000 Value Index. The Russell 3000 was up 7% for the Quarter.

Currently there is \$298,088 in cash. The monthly cash draw is \$183,000 and Barry suggested keeping at least \$200,000 in the account. Barry also recommended pulling at least \$100,000 from bonds to cover pension benefit payments for the months of December 2018, January 2019, and February 2019.

**Motion to Approve Pull Funds to From Pimco To Cover Benefits Payment**

A motion was made by Trustee Schneider to authorize the Finance Director, Keidra King to liquidate/sell \$100,000 from PIMCO Total Return Fund if the cash balance in the bank account goes below \$75,000. The funds will be deposited in the bank account to cover pension benefit payments. Motion by Trustee Schneider, Second by Trustee Mitchell, no opposes. Motion passes unanimously.

**Financial Reports (Keidra King).** Keidra King presented unaudited monthly financial reports for the Pension Plan for the months of September 2018 through October 2018. There are no employer contributions in October due to no funding from St. Louis County due to a deficit situation and a balance was owed to St. Louis County. Employer contribution will show on November's financial report. In September 2018 the Pension Plan had additions (net investment earnings/losses and Employer and Employee contributions) of negative \$-337.54( of which 69,208.45 were unrealized investment losses); in October 2018 the Pension Plan had additions of negative \$-622,859 (of which \$910,057 were unrealized investment losses); for total Plan assets of \$12,502,382 as of October 31<sup>st</sup>, 2018. At this time no further request or explanations were made from the financial reports.

**Benefit Claims and Appeals and Refund Applications.**

No refund, claims o, appeal applications presented at this time.

**Legal report (Jim Singer).**

Jim Singer reviewed the proposed increase in fees for Trust Fund Legal Services. Jim reported that for 2019 Schuchat, Cook & Werner is asking for an increase of about 2.6% in the hourly rate for ERISA compliance and non-collection litigation legal work. This will result in the new rates of \$195 per hour for Partners and \$190 per hour for associates. The rate for Trust Fund collection work will remain at \$182 per hour. The rate for paralegal work will remain at \$105 per hour. Motion by Trustee Schneider to accept the proposed fee increases presented by Attorney Jim Singer. Second by Trustee Jackson, no opposes. Motion passes unanimously.

Jim Singer also reviewed the updated model rollover notices issued by the IRS in Notice 2018-74 pm September 19<sup>th</sup>, 2018.

**Old Business.** None

**New Business.**

New dates presented to board for Pension Board meetings in 2019. A corrections was made to move the date of November 11<sup>th</sup>, 2019 to November 21<sup>st</sup>, 2019.

Finance Director Keidra King reported that a claim form was received related to a class action involving securities of Intuitive Surgical which the Plan held when Merrill Lynch served as investment advisor and custodian. Jim Singer agreed to contact Merrill Lynch to obtain more information in order to determine whether to file a claim.

Adjournment. There being no further business, Motion by Trustee Schneider to adjourn meeting second by Trustee Burks. Motion passes unanimously. The meeting was adjourned at 18:20 p.m.

X Tracy Woods -2-28-19

Tracy Woods  
Pension Board Secretary

