

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

BOARD MEETING

LAGERS Board Room  
Jefferson City, Missouri

Friday, 8:40 A.M.  
March 23, 2018

**BOARD MEMBERS PRESENT:**

Arby Todd, Frank Buck, Bob Ashcroft (via conference call), Kathy Barszczak, Barry McCullough, Joan Jadali and Claire Scoville.

**OTHERS PRESENT:**

Robert Wilson, Executive Secretary; Brian Collett, Chief Investment Officer; Jeff Kempker, Assistant Executive Secretary, Member Services; Tami Jaegers, Assistant Executive Secretary, Operations; Pam Hopkins, Compliance Officer/Internal Auditor; Melissa Rackers, Chief Financial Officer; Jason Paulsmeyer, Chief Counsel; Justin Ellsesser, Investment Officer; Elizabeth Althoff, Legislative & Communication Coordinator; Zachary Brunnert, Flotron & McIntosh; Michele Fehlings, Joint Committee on Public Employee Retirement; and Jan Kinard, Administrative Assistant.

**Meeting Convened**

A meeting of the Board of Trustees of the Missouri Local Government Employees Retirement System was held in the LAGERS Board Room, Jefferson City, Missouri, on Friday, March 23, 2018. Arby Todd called the meeting to order at 8:40 A.M.

**Consent Agenda**

**A motion was made by Joan Jadali and seconded by Barry McCullough to approve the Consent Agenda, as revised, except for Buddy Montgomery, Justin Selsor, Christopher Rapp and Stephen Redinger, employees of the City of Independence, Joshua Ward, Alan Yearout and Shelly Corn, employees of the City of Lee's Summit, and Michael Wagner, City of Webster Groves.**

**Motion carried 7-0.**

**A motion was made by Barry McCullough and seconded by Claire Scoville to table the vote on Buddy Montgomery, Duty Disability, City of Independence.**

**Motion carried 7-0.**

**A motion was made by Frank Buck and seconded by Claire Scoville to approve the City of Independence employees Duty Disability of Justin Selsor and Christopher Rapp, and the Non-Duty Disability of Stephen Redinger.**

**Motion carried 6-0, Kathy Barszczak abstained.**

**A motion was made by Barry McCullough and seconded by Kathy Barszczak to approve the City of Lee's Summit employees Non-Duty Disability of Joshua Ward and Alan Yearout and to disapprove the Duty Disability of Shelly Corn, City of Lee's Summit.**

**Motion carried 6-0. Arby Todd abstained.**

**A motion was made by Frank Buck and seconded by Kathy Barszczak to approve the Non-Duty Disability of Michael Wagner, City of Webster Groves.**

**Motion carried 6-0, Joan Jadali abstained.**

### **Visitor's Comment**

No visitors present.

### **Audit & Finance Committee Report**

Joan Jadali discussed the Fiscal Year 2019 Business Plan presented to the Committee by Robert Wilson, Executive Secretary.

**A motion was made by Joan Jadali and seconded by Bob Ashcroft to approve the Fiscal Year 2019 Business Plan.**

**Motion carried 7-0.**

Joan Jadali discussed the mid-year budget review presented to the Committee by Melissa Rackers, Chief Financial Officer.

Joan Jadali discussed the IRS Compliance Review Report, the Plan Qualification Review Report, Governance Review Report, IA Quality Assurance & Improvement Program Self-Assessment with External Validation Report, and the Cybersecurity Risk Assessment Memo presented by Pam Hopkins, Compliance Officer /Internal Auditor to the committee.

### **Governance Committee Report**

Frank Buck discussed the 2017 Governance Review Report presented to the committee by Pam Hopkins, Compliance Officer/Internal Auditor.

Frank Buck discussed proposed changes to the Board Governance Charters and Board Governance Policies presented to the committee by Pam Hopkins, Compliance Officer/Internal Auditor and Jason Paulsmeyer, Chief Counsel.

**A motion was made by Frank Buck and seconded by Barry McCullough to approve the changes made to the Board Governance Charters and Board Governance Policies.**

**Motion carried 7-0.**

**Legislative Committee Report**

Kathy Barszczak reported no discussion on behalf of the Legislative Committee.

**Legislative Consultant Report**

Zachary Brunnert, Flotron & McIntosh, and Elizabeth Althoff gave an update on the 2018 Legislative Session.

Elizabeth Althoff gave a recap of LAGERS' first Legislative Day held March 13, 2018.

**Chief Investment Officer's Report**

Brian Collett notified the Board of investments that the Investment Staff has committed to since the previous Board Meeting.

Justin Ellsesser gave a report on the Private Shipping Manager Selection Process.

Brian Collett gave a report on 4<sup>th</sup> Quarter 2017 Performance Highlights, Market Trends, Missouri OPEB and LAGERS Staff Plan.

Brian Collett gave a report on Comparing the Current Portfolio to Proposed Real Asset Oriented Portfolios.

**Member Services / Operations Report**

Jeff Kempker and Tami Jaegers gave an update on activities and initiatives from the Member Services and Operations Departments.

Tami Jaegers gave an update on the Legacy Plan Administration.

Jeff Kempker acknowledged Jeff Pabst for receiving his Master's Degree in Business Administration.

**Executive Secretary's Report**

Robert Wilson discussed the proposed Legacy Plan Administrative Rule.

**A motion was made by Kathy Barszczak and seconded by Frank Buck to approve the proposed Legacy Plan Administrative Rule.  
Motion carried 7-0.**

Robert Wilson discussed a proposed administrative rule change to update the physical address of LAGERS from 1913 William Street to 701 West Main.

**A motion was made by Barry McCullough and seconded by Claire Scoville to approve the address update.**

**Motion carried 7-0.**

Robert Wilson presented an informational paper on employee contributions which had been requested by the Board at the December Board Meeting. Further discussion will be held at the June Board Meeting.

Pam Hopkins discussed the Board Self Evaluation and schedule.

### **Chairman's Report**

Chairman, Arby Todd approved the following individuals as new or reappointed appointees to LAGERS' Legislative Committee: David Brown, Don Bridgforth, Bryce Lieser, Christopher Soule, Matt Birdsley, Bill Lehmann, Nathan Schauf, T.J. Schurder, Donna Fox and Tim Herrman.

**A motion was made by Joan Jadali and seconded by Kathy Barszczak to go into Executive Session for personnel matters pursuant to section 610.021 (3) and (13) and litigation and advice from Counsel regarding legal matters pursuant to section 610.021 (1).**

**A roll call vote was taken.**

**Motion carried 7-0.**

### **Adjournment**

**Open Session reconvened at 10:48 A.M. A motion was made by Kathy Barszczak and seconded by Claire Scoville to adjourn the March Board Meeting of LAGERS at 10:50 A.M. on March 23, 2018.**

**Motion carried 7-0.**

Respectfully submitted,

---

Robert Wilson  
Executive Secretary