

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

BOARD MEETING

LAGERS Board Room  
Jefferson City, Missouri

Friday, 8:15 A.M.  
June 22, 2018

**BOARD MEMBERS PRESENT:**

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

**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; Megan Loehner, Director of Investments; Erin Stieferman, Investment Risk & Operations Manager; Elizabeth Althoff, Legislative & Communication Coordinator; Zachary Brunnert, Flotron & McIntosh; Michele Fehlings, Joint Committee on Public Employee Retirement; Mita Drazilov, Gabriel, Roeder, Smith & Company (via conference call); 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, June 22, 2018. Arby Todd called the meeting to order at 8:15 A.M.

**Consent Agenda**

**A motion was made by Bob Ashcroft and seconded by Barry McCullough to approve the Consent Agenda, as revised, except Deborah Kelley, Non-Duty Disability, City of Independence.**

**Motion carried 7-0.**

**A motion was made by Bob Ashcroft and seconded by Barry McCullough to approve the Non-Duty Disability of Deborah Kelley, City of Independence.**

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

**Visitor's Comment**

No visitors present.

**Audit & Finance Committee Report**

Joan Jadali discussed the Internal Control Review Report, the Disaster Recovery Plan Test and the External Data Security Test Results that were presented by Pam Hopkins, Compliance Officer /Internal Auditor to the Committee.

**A motion was made by Joan Jadali and seconded by Bob Ashcroft to approve the Fiscal Year 2019 Proposed Budget and the 2018 Interest Resolution.  
Motion carried 7-0.**

### **Governance Committee Report**

Frank Buck reported no discussion on behalf of the Governance Committee.

### **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 a recap of the 2018 Legislative Session.

### **Actuary's Report**

Mita Drazilov, Gabriel, Roeder, Smith & Company, gave a summary of the February 2018 Actuarial Valuations. Preliminary calculations indicate a funded ratio of 95.6% based upon the actuarial value of assets, increasing from 94.8% previously.

### **Chief Investment Officer's Report**

Brian Collett and Megan Loehner gave a report on the Non-US Private Equity Manager Selection process.

Megan Loehner notified the Board of investments the Investment Staff has committed to since the previous Board Meeting.

Brian Collett gave a report on the 1<sup>st</sup> Quarter 2018 Performance Highlights, LAGERS Staff OPEB Plan, and LAGERS Staff Plan.

Megan Loehner presented the Statement of Investment Policy Draft.

**A motion was made by Barry McCullough and seconded by Bob Ashcroft to approve the Statement of Investment Policy.  
Motion carried 7-0.**

Erin Stieferman presented the Investment Risk Policy Draft.

**A motion was made by Kathy Barszczak and seconded by Barry McCullough to approve the Investment Risk Policy.**

**Motion carried 7-0.**

### **Member Services / Operations Report**

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

Jeff Kempker gave an update on the Legacy Plans considering affiliation with LAGERS.

### **Executive Secretary's Report**

Robert Wilson discussed the appointment of a Hearing Officer in the petition of Sharon O'Bannon.

**A motion was made by Bob Ashcroft and seconded by Frank Buck that Attorney Keith Wenzel be appointed as Hearing Officer in the petition of Sharon O'Bannon, Non-Duty Disability Petition for Administrative Hearing; that Mr. Wenzel conduct a hearing in these matters and present proposed findings of fact and conclusions of law to the Board of Trustees pursuant to Section 70.605.16 RSMo and 16 CSR 20-3.010.**

**Motion carried 7-0.**

Robert Wilson discussed the appointment of a Hearing Officer in the petition of Shelli Corn.

**A motion was made by Barry McCullough and seconded by Bob Ashcroft that Attorney Ed Clausen be appointed as Hearing Officer in the petition of Shelli Corn, Duty Disability Petition for Administrative Hearing; that Mr. Clausen conduct a hearing in these matters and present proposed findings of fact and conclusions of law to the Board of Trustees pursuant to Section 70.605.16 RSMo and 16 CSR 20-3.010.**

**Motion carried 7-0.**

Robert Wilson discussed the appointment of a Hearing Officer in the petition of Kimberlee Staley.

**A motion was made by Barry McCullough and seconded by Bob Ashcroft that Attorney Jamie Cox be appointed as Hearing Officer in the petition of Kimberlee Staley, Duty Disability Petition for Administrative Hearing; that Ms. Cox conduct a hearing in these matters and present proposed findings of fact and conclusions of law to the Board of Trustees pursuant to Section 70.605.16 RSMo and 16 CSR 20-3.010.**

**Motion carried 7-0.**

Jeff Kempker discussed the 10 year review and timeline of the actuarial audit process.

Robert Wilson discussed the MAPERS 2018 Conference, which will be held from July 25<sup>th</sup> through July 27<sup>th</sup>.

**A motion was made by Frank Buck and seconded by Barry McCullough 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 10:03 A.M. A motion was made by Kathy Barszczak and seconded by Frank Buck to adjourn the June Board Meeting of LAGERS at 10:05 A.M. on June 22, 2018.  
Motion carried 7-0.**

Respectfully submitted,

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Robert L. Wilson  
Executive Secretary