

**Minutes of Meeting
Board of Trustees
Police & Fire Employees' Retirement Fund
January 25, 2011**

A meeting of the Board of Trustees was called to order at 9:19 p.m. in the EOC room Basement Level, City Hall, 6801 Delmar.

Member in Attendance: Diane Sher, Jaime Mendez, James Carr, Mark Winer, Fred Kramer, Tom Deken

Members Absent: Anne Silverstein (excused)

Others in attendance: Council member Michael Glickert, Council Liaison
Council member Stephen Kraft
Janet Watson, Deputy City Mgr/Finance Dir (Treasurer)

Minutes

In reference to the Missouri Sunshine Law, Member Carr stated that regarding the recent issue of the retirement change to the Police & Fire plan, that after the November 9, 2010 meeting there was an email from Member Sher about a discussion to have the employees draft an Executive Summary to be sent to the City Council with the ordinance. Mr. Carr stated that this discussion was not a part of the November 9, 2010 meeting. Member Sher stated that there was also a member who stated he felt coerced to vote "yes" on this issue and later may have stated he did not agree with the decision. Member Carr stated he felt the Executive Summary changed the topic. Ms. Watson apologized that the members did not have an opportunity to review the Executive Summary prior to its distribution to the City Council.

Mr. Carr distributed a handout and moved to append these emails and the Executive Summary to the November 9, 2010 meeting minutes. Member Deken seconded the motion and it carried. Member Sher stated the purpose of the informal discussion was to provide further information to the City Council regarding the recommendation. Member Sher made a motion to amend Mr. Carr's motion to include the explanation that this was an information discussion in the November 9, 2010 minutes and the motion was seconded by Member Winer.

Member Deken agreed that if something happened outside the meeting, then it should be documented. A vote was taken on the amendment and it did not pass. A vote was then taken on the original motion and it carried.

Member Kramer moved to approve the Board minutes of October 26, 2010 as presented, and of November 9, 2010 as appended. The motion was seconded by Member Deken and carried.

Approval of Disbursements (Vouchers)

The attached listing of disbursements for October – December 2010 were reviewed. A motion to postpone approval was offered by Member Winer until margin costs are recorded. The motion was seconded by Member Mendez and carried.

Applications for Membership

No applications for membership were submitted. The Board recommended revising the member application form for the future.

Applications for Retirement

There were no applications for retirement to approve.

Investment Report

Wiley Angell from FAMCO made a brief presentation regarding investment performance in the last quarter and the outlook for the future. He stated the investments did not perform as well as planned and he does not like underperforming against the index. Lower quality stocks and small cap stocks were continuing to do better in the current market, although Mr. Angell does not believe this type of performance is sustainable. The fixed income portfolio performed as expected because maturities were kept shorter. Government involvement did affect the market this quarter. For the future he believes quality investments will perform better and he still favors large cap companies over the longer term. He believes 2011 will be a steady growth year, but he does not expect the market to have high growth. FAMCO may move more into the technology sector. Inflation may be on the horizon so the theme right now is risk avoidance.

Update on Death Review Process

Ms. Watson reported that staff have been in contact with the firm which will perform the pensioner death review process and the City is ready to submit the data. Staff should have a report of the results by the next meeting date. Member Carr noted that he had originally requested that in order to maintain the “surprise” factor for the investigation, we use a pension beneficiary roster from March 31, 2010, prior to his April, 2010 motion to make this inquiry.

Other Matters

There was a brief discussion regarding changing the time of future meetings, but it was determined that 7:00 p.m. was still best for the board members. No change will be made at this time.

Member Kramer stated that he thought the ICMA-RC investment options for the 401 and 457 plans were too restrictive. He understands ICMA does now offer brokerage services. He would like the Board to review a list of current investment options. Member Mendez asked if this request could be added to the RFP, but members of the board stated this was a different contract. Member Sher believes ICMA-RC provides the minimum investment requirements. The idea of providing extra alternative investments also comes with risk for employees and education needs. Member Kramer asked why couldn't City employees control their own 457 funds rather than the City or Pension Board? There was general discussion as to whether the City or the Pension Board controlled the 457 Plan investments. Member Sher requested staff to check past board minutes, City Council minutes and the 457 Deferred Compensation Plan documents for an answer as to whether the City or Pension Boards are in charge of 457 plan decisions.

Next Meeting Date

The Board agreed on the next regular meeting to be held April 26, 2011. Other meeting dates for 2011 will be July 26 and October 25.

Adjournment

There being no further business, the meeting adjourned at 9:36 p.m.