

**Minutes of Meeting
Board of Trustees
Police & Firemen's Retirement Fund
August 14, 2007**

A meeting of the Board of Trustees was called to order at 7:56 p.m. in the EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Julianne Niemann, Diane Sher, Anne Silverstein, Jaime Mendez Don Miner, Carol Jackson

Members absent: Mark Winer (excused)

Others in attendance: Yolanda Williams, Human Resources Director (Acting Secretary)
Janet Watson, Deputy City Manager/Finance Director (Treasurer)
Michael Glickert, Council Liaison
Steve Siepman, Actuary

Minutes

Member Sher moved to approve the Board minutes of April 17, 2007. The motion was seconded by Member Miner and carried.

Vouchers

The attached listing of vouchers was reviewed. Member Miner moved to authorize payment of these vouchers. The motion was seconded by Member Jackson and carried.

Applications for Membership

Donald Valentine – Fire
Andrew Kerckhoff – Fire
Jessica Louder – Fire
Michael Hatfield – Police

Member Miner moved to accept the above applications for membership. The motion was seconded by Member Sher and carried.

Applications for Retirement

An application for retirement from Robert Wheeler was reviewed. The applicant worked for the City for 35 years. The monthly retirement benefit will be \$2,016.31.

Member Miner moved to accept the above application for retirement. The motion was seconded by Member Jackson and carried.

Fiduciary Asset Management Report

Reviewed and accepted.

Actuarial Valuation Summary

Steve Siepman, the City's new Actuary from Buck Consultants, resented the Board with the January 1, 2007 plan valuation summary. The largest change to the valuation was a decrease in the surplus accrued liability (negative Unfunded Accrued Liability). The UAL had changed from a surplus of \$3,097,813 in 2006, to a smaller surplus of \$1,202,307 in 2007. He stated that there is still no required City contribution, but that the surplus would soon be exhausted and a City contribution will be required within the next two years. He also provided information related to the plan's assumptions which were the same used in the last valuation. The investment rate assumption used was 6.5% and the salary increase assumption was 3%. Mr. Siepman stated that

the rates used were less important than the difference between the two assumption rates. He also stated that the full reports would be available soon.

Ms. Watson stated that to be proactive and prepare for the likelihood of a required City contribution soon, the Board could evaluate making a recommendation to the City Council to re-implement the property tax levy this year. Actuary Siepman suggested amortizing the current surplus to keep the annual contributions as low as possible. Member Silverstein made a motion to recommend that Council establish a 15 year amortization of the surplus to result in the need of a 2007 tax levy as opposed to exhausting the entire existing surplus, which will happen within 2 years. The motion was seconded by Member Miner and carried.

Cost Studies

COLA for Retirees

Ms. Williams mentioned that at the April 17, 2007 retirement board meeting, the board requested that the actuary provide a cost study for an automatic COLA for retirees including up to a 2% annual increase based on the CPI with a maximum lifetime adjustment equal to 25%. At that time, the report could not be compiled until the January 2007 valuation was complete. Actuary Siepman, commented that an automatic COLA will substantially increase liabilities and such implementation could limit other future enhancements if the new proposed Missouri State Law is passed. He was unsure if it was passed at this time.

One-time COLA

Ms. Williams asked that the Board consider giving a one-time across the board COLA to retirees as customarily provided every two to three years in the past. Member Nieman motioned that the actuary advise them of the maximum amount of increase, up to \$25.00, such that it would not require a cost study. The motion was seconded by Member Sher and carried.

Other Matters

Member Mendez noticed page 5 of the Statement of Policies and Objectives appears inconsistent with the January 2007 amendment to page 6 of the document wherein the equity diversification was changed to include "large cap global". The board will review this discrepancy and amend the document appropriately at the next meeting.

Member Miner inquired about getting benefit calculations for pending retirees. Ms. Williams advised him that as soon as Mr. Siepman finalizes the annual report he can get to work on providing those.

Next Meeting Dates

The Board affirmed October 16, 2007 as the next meeting date.

Adjournment

There being no further business, the meeting adjourned at 8:25 p.m.

Respectfully submitted,

Yolanda Williams
Acting Secretary