

**Minutes of Meeting
Board of Trustees
Police & Firemen's Retirement Fund
April 17, 2007**

A meeting of the Board of Trustees was called to order at 7:40 p.m. in Room 6, 2nd floor, City Hall, 6801 Delmar.

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

Members absent: Alison Markenson (excused), Catherine Smith (excused), Council Liaison Michael Glickert (excused)

Others in attendance: Yolanda Williams, Human Resources Director (Acting Secretary)
Janet Watson, Deputy City Manager/Finance Director (Treasurer)
Larry Evans, Chief Accountant (finance dept.)

New Chair

Due to the expired term of Chair Gordan Myers, Member Miner moved to elect Member Niemann as Chair. The motion was seconded by Member Jackson and carried.

Minutes

Member Sher moved to approve the Board minutes of January 16, 2007, with the amendment of adding to the Investment Strategies topic that FAMCO would be directed to invest in American Funds EuroPacific Growth Fund Class F. 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

None at this time

Applications for Retirement

An application for retirement from John Dale Wheeler was reviewed. The applicant worked for the City for 28.70 years. The monthly retirement benefit will be \$2,247.18.

An application for retirement from Charles Blair was reviewed. The applicant worked for the City for 38.79 years. The monthly retirement benefit will be \$3,516.77.

An application for retirement from Robert Dale McCarthy was reviewed. The applicant worked for the City for 26.94 years. The monthly retirement benefit will be \$1,908.30.

An application for retirement from Lawrence Weygandt was reviewed. The applicant worked for the City for 25.21 years. The monthly retirement benefit will be \$2,027.13.

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

Actuary Proposals

The City issued a RFP for Actuarial Services to approximately fifteen firms. Proposals were received from AON Actuarial Services, Buck Consultants, CCA Strategies, and QBC Inc. Based on the selection criteria outline in the RFP, reference checks and personal interviews, staff recommended Buck Consultants.

Buck Consultants’ Fee Schedule (3 yr rate guarantee)

	Non-uniformed	Uniformed
Annual Valuation (includes 2 meetings/yr)	\$8,900	\$8,900
Benefit Calculations	\$250	\$250
Additional charges, i.e. data cleanup	\$120-420/hr	\$120-420/hr

Member Miner moved to accept the proposal and actuarial services of Buck Consultants. The motioned was seconded by Member Jackson and carried.

Deputy City Mgr./Finance Director Janet Watson, will invite Buck Consultants to attend and present the annual valuation at the July 17, 2007 pension board meeting.

Fiduciary Asset Management Report

Member Niemann commented that even with the recent dip in the market we are stable with modest positive returns.

Investment Strategies Follow-up

Member Sher advised the board that she instructed FAMCO to liquidate 12% of the total Equity Investments with the following results:

- FAMCO will execute the purchase of American Funds EuroPacific Growth Fund Class F shares through two new Charles Schwab accounts.
- Schwab requires the names and personal information for the trustees that can act on behalf of the account—signed by Member Niemann and Member Sher.
- Once the accounts are open and FAMCO has wire instructions, they will draft a direction letter for signature from University City to UMB to transfer the stated dollars from the UMB account to the Schwab accounts. The approximate dollar amount to be transferred is \$3.2 million for Police & Fire Uniformed Employees.
- FAMCO will sell equity securities as needed for the mutual fund purchase. FAMCO will attempt to time the mutual fund purchase as close as possible to the liquidation of the equity securities.

COLA for Retirees

Ms. Williams advised that she followed up with the City Attorney John Mulligan regarding reporting requirements for an ordinance granting annual retirement benefit increases (COLAs) to retirees. Attorney Mulligan advised that “before the City Council could pass such an ordinance, a cost statement would have to be prepared by an actuary and be on file with the City Clerk and the (State)Committee for at least 45 calendar days. Within 7 days after the City Council passes the ordinance, University City would have to notify the Committee of such action. Thereafter, University City would have to notify the Committee each time an annual increase is provided. Notification could be by a letter simply stating, for example, that the University City Non-uniformed Employees

Retirement System provided a 3% cost-of-living increase in retirement benefits, effective January 1, 2008. No new cost statement would have to be prepared each year on benefits provided pursuant to the ordinance.”

Ms. Williams also provided the Board a survey of 13 area cities regarding their COLA practice for retirees in a defined benefit plan. Eight of the 13 provide annual COLAs to retirees—determined by different methods. The Board particularly liked the City of Clayton’s approach—up to 2% based on CPI with a maximum lifetime adjustment equal to 25%—and asked that the actuary provide a cost study in conjunction with the annual valuation.

Other Matters

Member Silverstein asked that these minutes reflect that this was her first meeting and as such she abstained from all voting during the meeting.

Next Meeting Dates

The Board affirmed the following meeting dates for the remainder of 2007:

July 17

October 16

Adjournment

There being no further business, the meeting adjourned at 7:55 p.m.

Respectfully submitted,

Yolanda Williams
Acting Secretary