

**Minutes of Joint Meeting
Board of Trustees
Non-Uniformed and Police & Fire Employees' Retirement Fund
October 25, 2011**

A joint meeting of the Board of Trustees of the Non-Uniformed Retirement Fund and the Police and Fire Retirement Fund was called to order at 7:40 p.m. in EOC room Basement Level, City Hall, 6801 Delmar Blvd.

Members in Attendance: Diane Sher, Julie Niemann, Edward McCarthy, James Carr, Matthew Fillo, Fred Kramer, Tom Deken, Don Humphrey and Erich Haring

Members Absent: None

Others in Attendance: Janet Watson, Deputy City Manager
Tina Charumilind, Finance Officer

Minutes

Chairperson Sher asked for a motion for approval of meeting minutes from July 26, 2011. A motion was made by Member Fillo to accept the minutes as presented, seconded by Member McCarthy and passed with no opposition.

Chairperson Sher also asked for a motion for approval of meeting minutes from September 13, 2011. A motion was made by Member McCarthy to accept the minutes as presented, seconded by Member Fillo and passed with no opposition.

Preference of Board Training

Member Carr brought up the training issue, to determine how the new members could receive training. Order CD from Missouri Association of Public Employee Retirement System (MAPERS). He also mentioned about the handouts that Ms. Watson distributed to the board members at one of the previous meetings that refer to the matrix of all employees to plan for their future; included selecting bonds for their own interest. Additionally, Member Carr advised that there was a Sunshine Law training and asked if any board members attended. Member Carr and Member Fillo volunteered to serve as subcommittee to undertake the task for the training and will discuss more in depth during January meeting. No motion was required.

Actuary Bid Award

Ms. Watson advised the board that there were eight proposals submitted to her. After a careful reviewing, she recommended that we select Buck Consultant which was the lowest bid. She added that Steve Siepman had performed an exceptional work, not only the analysis part but also was able to deliver a conversational analysis in a plain language. They also have a good understanding of how the City plans works. Member Fillo also added that he had informally discussed with a few local organizations, and Buck Consultant seems to have an overall good reputation. As such, Member Fillo made a motion to continue to use an actuarial service by Buck Consultant, Member McCarthy seconded and passed with no opposition.

Response from Tom Mug Regarding 457 Plan

There was a question raised by some employees want to know whether or not the Pension Board had any control over the Plan 457 Deferred Compensation. The questions was initiated by some members because of dissatisfaction was expressed about the limited investment options provided by ICMA, and believed that they should be able to select other type of investment outside ICMA. Chairperson Sher believed that this could be an oversight; employees should have adequate information of the plan. Member Fillo clarified based on the legal opinion made by Mr. Mugg, the 457 deferred compensation plan is the responsibility of the board. Member Deken informed that he had consulted with Roy Combs who advised him that in order to add or change investment options it would have to be initiated by the City Manager or his designee. Ms. Watson reported that she asked City Clerk to do a research and could not find any action over the past several decades related to any changes in the plan initiated by the City Council. The board believed that we have no legal responsibilities.

Discussion – Cost of the Actuarial’s Calculation

Member Deken made a motion that the cost be borne by the employee until they have bought into the plan, then plan would incur the charges. Member Kramer seconded and passed with no opposition for the Police & Fire Retirement Fund Plan. Ms. Watson also informed the board that the cost is approximately \$260.00 for both Police & Fire and Non-Uniformed Plans. Member Humphrey made the same motion, seconded by Member Niemann and passed with no opposition.

Developing Investment Policy

Ms. Watson provided the board with examples from three municipalities, City of Creve Coeur, City of Hazelwood and City of Bridgeton.

Ms. Watson asked what exactly had been proposed. Will the board handle investment? Member Niemann responded that the board can be pro-active, managing changes of asset allocation. What the board needs to do now is establish the Investment Policy. The subcommittee consists of Chairperson Sher, Member Carr and Member Niemann.

Member Fillo asked what will happen if these three board members (Diane Sher, Jim Carr and Julie Niemann) quit or leaving the board. Relying on the board rather than going outside consultant.

Member Niemann responded that the board will establish very good cohesive investment policy, and after the policy is in place, we will choose the “Money Manager”. Do RFP every three years?

We could have one Manager such as FAMCO or go for a more diversified approach, the decision is being made by the Board or follow the policy: “The questions are who will make the call? Would it be enough time to get together?”

Member Carr stated that most endowment and pension do not change drastically. We just have to determine for how long we go. Should we issue a RFP? Request detailed information about Manager, Financial Analyst and their certifications. Member Niemann suggested to have this topic discussed at the January meeting and not hire a firm at this point. To make decision on the percentage and allocation on the policy of investment. Member Sher cited that as we go along we may realize that the issue would require a higher level of expertise, then we hire someone else. At this time this topic has been tabled for now.

Draft By-Laws and Discussion

Member Carr stated that it is important to have Bylaws that state the standards for operation and the list of required documents. He pointed out Section 3, in the drafted copy, sub section 3.03 mentioned about training or sub section 3.02 mentioned about Sunshine Law, he emphasized that members need to know the Robert's Rules of order when making decision, form of motion and approval. Ms. Watson suggested that she would forward the draft to City Attorney with a provision for amending. Member Carr made a motion to send a drafted By law to City Attorney, seconded by Member McCarthy and it was passed with no opposition.

Next Meeting Date

The board agreed on the next regular meeting date will be January 24, and the other meetings will be April, July 24 and October 23.

Other Matters-None

Adjournment

Member Niemann moved to adjourn the meeting at 9:06 pm. The motion was seconded by Member Humphrey and it passed.