

**Minutes of Joint Meeting
Boards of Trustees
Non-Uniformed and Police & Fire Employees' Retirement Fund
July 27, 2010**

A meeting of the Boards of Trustees was called to order at 7:15 p.m. in EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Diane Sher, Anne Silverstein, James Carr, Jamie Mendez, Erich Haring, Tom Deken and Fred Kramer

Members absent: Mark Winer (excused)

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

Investment Advisors' Report

Tim Swanson of FAMCO was present at the meeting and presented the quarterly reports to the Boards and responded to questions by Board members.

Bids for Plan Document Review

In reviewing the bids, Member Carr stated that he assumed that the product would be the same.

Member Sher commented that Polsinelli Shughart has a national presence, Gallop, Johnson & Neuman has a regional presence and Buck Consultants has a local presence. She further commented that the quality of work would be uniform and she likes the idea of having another firm with different expertise review the documents.

After discussion, Member Carr made a motion to employ Gallop, Johnson, & Neuman to conduct a review of the plan documents as outlined in the RFP as long as the references are satisfactory. The motion was seconded by Member Humphrey and carried. Member Silverstein abstained.

Ms. Watson will check the references and notify the firms of the Boards' decision.

Financial Support to City Administration

Ms. Watson distributed estimated costs (including benefits) for retirement plan administration based on cost per employee involved in plan administration. Member Humphrey asked what other cities are paying for administrative services performed by a third party. Member Carr asked what would the city's expenses look like if they were interfaced. Mr. Deken commented that benefits should not be included in the estimates. Member Carr commented that the cost has to be absorbed somehow. Ms. Watson explained other funds pay for the expenses involved in the handling of the funds. Ms. Watson will check with other cities to find out about their costs and how they allocate them.

Investment Consulting Service & Money Management Services RFP

Member Carr distributed a list of potential money management consultants. There was discussion about the services to be provided. Ms. Watson suggested hiring a firm to assist the Boards in determining a scope of services and then developing an RFP. Member Sher commented that there would be a cost associated with that approach and the Boards could just request proposals for money managers and consulting services—the Boards need to hear from consultants to see what

they think about how the Boards are doing things. Member Carr stated that the Board members are citizens, not financial experts, and he is concerned that the Boards are handling too much of the investment piece.

Ms. Watson restated that a possibly solution would be for the Boards to consider hiring a consultant to help figure them determine which services to bid—developing a scope of services. Ms. Watson stated that Creve Coeur went through a similar process and they were very satisfied with the process and the outcome. Member Sher said the Boards need to develop some criteria so Ms. Watson doesn't receive 100 proposals. Ms. Watson will contact Creve Coeur (and other cities, if they have used consultants) to help determine the proper scope of services—or front end consulting. Member Deken added that Ms. Watson should also find out the costs associated with the service.

Ms. Watson stated that in her previous experience, the investment consultants managed the money managers so that could be an option for the Boards' consideration.

Other Matters

Some Board members suggested having another meeting prior to the next regular meeting in October to complete the initial review of the plan documents with the chosen firm (Gallop) and to review feedback on the consulting services. Ms. Williams will poll the Boards via email to determine a meeting date.

Member Mendez commented that the Boards made a decision three years ago to put 12% in International Funds but there has been no discussion and/or adjustment since that time.

Member Carr asked if the Boards should be trying to support the pension long-term or make decisions based on predictability.

Councilmember Glickert stated that City Council wants to have a study session with the Boards to follow up on understating the short and long-term plan objectives.

Ms. Williams presented the receipt to reimburse Member Sher for purchasing the Fiduciary 360 material for the Boards' use. Ms. Williams will process a reimbursement and charge half of \$189.07 to each retirement fund.

Adjournment

Member Humphrey moved to adjourn the meeting. The motion was seconded by Member Mendez and carried. There being no further business, the meeting adjourned at 8:50 p.m.

Respectfully submitted,

Yolanda Williams
Secretary