

**Minutes of Study Session
Board of Trustees
Non-Uniformed and Police & Fire Employees' Retirement Fund
June 22, 2010**

A meeting of the Board of Trustees was called to order at 7:05 p.m. in EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Diane Sher, James Carr, Mark Winer, Erich Haring, Tom Deken,

Members absent: Jaime Mendez (excused), Fred Kramer (excused), Anne Silverstein (excused), Donald Humphrey (excused)

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

RFP Bids for Plan Document Review

Ms. Watson suggested utilizing the current Actuaries since they are already familiar and have knowledge of our plans. Member Sher suggested getting bids anyway since it does not cost anything additional.

Ms. Watson said she will prepare a draft RFP and provide it to the Boards for feedback and she will send it out thereafter and should have bids back by the next regular meeting—July 27, 2010.

Statement of Policies and Objectives

Member Carr stated that the document needs improvement and cleanup and he questioned whether too much is being managed from the Boards' level. He reiterated that the money managers should be given more latitude. He stated that the document should endure and not change with market issues and/or opinions. Member Carr further commented that there should be a broader definition of asset allocations—perhaps a range vs. strict numbers.

Member Sher asked what would happen if there is more than one money manager.

Member Carr responded that the Boards would have to establish who's handling which items. Mr. Carr stated he is not advocating trading but people in the business are more appropriate to manage the money, and as a Board member, he doesn't want to make those decisions.

Member Sher responded that as Trustees, Board members are responsible for establishing asset allocation, timeline and desired results.

Member Winer commented that it is the Boards' job to monitor against benchmarks and in the current policies and objectives some discretion has been given.

Member Carr commented that there are conflicts within the current document—For example, if preservation of capital is paramount, target allocations should be 100%. Member Carr said the content of his proposed document is the same—it just clarifies and organizes the information better.

Member Deken commented that it makes sense to widen the range a bit so the managers have flexibility to shift gears when necessary.

Member Sher stated she doesn't think one manager can do it all. She suggested asking professional managers what they generally see in these situations.

Ms. Watson suggested updating the policies and objectives and excluding the numbers as part of the update.

Member Carr agreed that the numbers should be taken out and the document cleaned up. He said he basically reshuffled the existing document to make it more readable in the draft he provided to the Board.

Ms. Watson commented that monitoring more than one manager could be a lot to take on and maybe it makes sense for the manager to hire a financial advisor.

Member Sher raised the question as to whether there is enough diversification. She said she likes the approach of looking at changing the policies and objectives and leaving out the numbers.

Member Haring asked if low bonds should be included.

Member Carr replied that they should be considered.

Member Watson commented that she will gather samples of policies and objectives (templates and actual) and send them to the Boards for reference.

Investment Consulting Services and Money Managers

Member Sher suggested that since the Boards will be considering proposals for plan document review, perhaps the Boards could also work on an RFP for investment consulting services and money managers. Member Sher provided the Boards sample RFPs from Fiduciary 360 for review and she commented that there is also a performance checklist which could be used to evaluate the current money managers.

Member Sher asked the Boards to review and prepare to comment at the next meeting on the Investment Consulting RFP, Money Management RFP, and Policies and Objectives.

Other Matters

Member Carr commented that it was meaningful to have all of the various documents and review them at the last meeting to remind Board members and help them understand their purpose and he suggested an annual review of the same.

Member Deken stated he received cost studies from the Actuary and he would present them for discussion at the next meeting.

Adjournment

Member Carr moved to adjourn the meeting. The motion was seconded by Member Deken and carried. There being no further business, the meeting adjourned at 8:25 p.m.

Respectfully submitted,

Yolanda Williams
Secretary