

**Minutes of Meeting
Board of Trustees
Non-Uniformed 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 7:07 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, Don Humphrey and Erich Haring

Members Absent: None

Others in Attendance: Janet Watson, Deputy City Manager
Tina Charumilind, Finance Officer
Tom Deken, Police Representative
Fred Kramer, Fire Representative

Minutes

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

Approval of Disbursements

No problems concerning the disbursements. Member Niemann made a motion, seconded by Member Humphrey and passed with no opposition.

New Member Applications

Janet Watson informed the Board that the following new employees had applied for membership in the plan: John Gilbert who is an Inspector in Community Development, Cynthia Walker who is a Parking Controller in the Police Department and Laura Zacher who is the Economics Development Manager in Community Development.

Approval of Retirement Application-None

Investment Manager's Report

Chairperson Sher stated that FAMCO representative only appears every six months. If anyone has any questions, they could be forwarded to FAMCO for the answers before the next scheduled appearance. Member Carr indicated the reports look pretty much the same, discussion was the same including the cash flow. Ms. Watson stated that FAMCO will be at the next meeting. Chairperson Sher stated that there have not been any questions, accepted the report as presented and looked forward to FAMCO presentation in January.

Breakpoint Discussion

Member Humphrey suggested keeping the current (2011) breakpoint of \$41,000 without the \$1,000 annual increase because the benefits will be reduced if the breakpoint continues to increase and salaries remain the same without cost of living increases. Based on the

benefit calculation; any employees whose calculated annual salaries were above the breakpoint will earn additional benefit of .5%. City employees have not received cost of living increase in the past three years and those who have recently retired have had reduced benefits due to the increase of the breakpoint. Or salary is not keeping up with the breakpoint. He would like for the breakpoint to remain the same for the next three years to counteract the increase that has occurred over the past three years.

Ms. Watson reiterated that Mr. Mugg suggested coming up with a better index rather than just the \$1,000 a year. However, he stated that this \$1,000 a year was not too far off from the indexes presented at a previous meeting. He suggested setting the index as a percentage of the social security wage base.

Chairperson Sher wanted to know what index would the City use moving forward so this issue won't continue to come up.

Member Fillo asked what would be the impact of the breakpoint if raised or not raised. Are there any long term effects, and what are the costs? Ms. Watson explained the basis of calculation. 1) The three highest annual salaries within ten years; 2) The number of years of service; 3) The multiplier of 1.6% and 4) The additional .5% for salary above the breakpoint. Member McCarthy indicated that the additional amount would result in approximately \$5.00 per month. Member Humphrey emphasized that this amount would total to \$15.00 per month for a period of three years.

Member Fillo also asked how the current methodology of breakpoint was implemented. Ms. Watson believed that it was based on the social security wage base at the time of implementation. Member Carr asked about the number of retiree and how we proceed if the board reached the consensus. Ms. Watson stated that historically there had been two retirees per year. The process is if the Board will vote for a recommendation to change the plan, Tom Mugg will draft an amendment and submit to City Council to make an exception. Member Fillo suggested that we should have the actuarial analyze this enhancement to see the fiscal impact prior to make any decision. Ms. Watson gave an estimated of the actuarial cost approximately \$2,000 and will be paid from Pension Fund.

Ms. Watson also indicated that any enhancement that would result in more than .25% to the plan needs to be filed to Missouri State 45 days prior to approval. Member Humphrey emphasized that this action was a "taking away" from the employees, the compromise should not be considered as an "enhancement". There was no motion to present this matter to the City Council at this time.

Ms. Watson announced her leaving University City employment, and stated that Ms. Charumilind will take over her responsibility as a Secretary for the Pension Board. She also added that due to time consumption and the evolving nature of the Board, she recommended Rick Brown, Human Resources Manager, be added to assist Ms. Charumilind. However because Mr. Brown had a commitment to teach on Tuesday night, would the board consider moving the meeting to Wednesday night. Member Sher suggested that it would be inconvenient to change the majority of the board member's schedule to compromise one individual's. Ms. Watson was thanked for her contributions to the Board and for a job well done. Ms. Watson thanked everyone as well.

Other Matters-None

Next Meeting Date

The board agreed on the next regular meeting to be held on January 24, 2012. The other meetings in 2012 will be on April 24, July 24 and October 23, 2012.

Adjournment

Member Carr moved to adjourn the meeting at 7:35pm. The motion was seconded by Member Humphrey and it passed.