

**Minutes of Meeting
Board of Trustees
Non-Uniformed Employees' Retirement Fund
November 17, 2009**

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.

Member in Attendance: Diane Sher, Jaime Mendez, Mark Winer, James Carr,
Donald Humphrey, Erich Haring,

Members Absent: Anne Silverstein

Others in attendance: Yolanda Williams, Human Resources Director (Secretary)
Janet Watson, Deputy City Mgr/Finance Dir (Treasurer)
Police Rep Tom Deken, Fire Rep Fred Kramer.

Minutes

Member Winer moved to approve the Board Minutes of July 28, 2009. The motion was seconded by Member Carr and carried.

Vouchers

The attached listing of vouchers was reviewed. Member Carr moved to approve the vouchers. The motion was seconded by Member Humphrey and carried.

Applications for Membership

Zachary Greatens – Community Development
Christopher Wood—Parks

Applications for Retirement

Member Carr moved to approve the following retirement payment on the basis of the actuarial calculations provided. The motion was seconded by Member Humphrey and carried.

An application for Sheila Clayton was reviewed. The applicant worked for the City for 31 years. Her monthly retirement benefit will be 2,044.37.

Fiduciary Asset Management Report

Portfolio Manager Tim Swanson of FAMCO was present to provide an overview/update on the portfolio. Mr. Swanson commented that third quarter economic numbers are showing early recovery—the leading indicators are proving positive and there's still a lot of stimulus money going into the system. The inflation environment is low which indicates a healing economy and is positive for equities and fixed assets. Third quarter earnings releases were strong with most companies in the portfolio beating FAMCO and street estimates. FAMCO is not yet seeing revenue growth, but cost cutting is providing earnings leverage. Inventories are low in retailers, which is a positive back drop for retailer profitability during the holiday season when consumers buy their products.

For the quarter, the equity and fixed income portfolios posted solid absolute returns. The domestic equity portfolio outperformed its benchmark while the fixed income portfolio slightly underperformed the benchmark. Since inception, both portfolios have outperformed their benchmarks. Lower quality equities and bonds outperformed higher-quality assets during the third quarter and for much of the recovery period since March 2009, although October marked a notable reversal in this trend. While the portfolio maintains a higher quality bias, the portfolio remains exposed to lower valuation and economically-sensitive equities that have also done well during recovery periods.

Financial Management Diversification

Ms. Watson commented that a councilmember suggested the board look at diversifying financial management and the Finance Committee expressed concern that the plan investments didn't match long term liabilities.

Member Sher commented that having a bid process is part of fiduciary responsibility so it would be a good idea to start the process now and to bid every three years thereafter.

Member Carr suggested that the board take a critical look at what it's doing overall and whether objectives and fiduciary responsibility are being met.

Member Sher offered to obtain a checklist and booklets from Fiduciary 360 so the board could have a comprehensive system for monitoring and implementing the review process; as part of bid the process the board needs to give objectives and the checklist could assist with the process for bids and statement of objectives.

Member Carr inquired about the trustee. Ms. Watson responded that UMB is the trustee. Member Carr commented that he believes it is appropriate for the board to ask to be shown the assets and requested to review UMB statements.

Member Winer commented that he's not sure diversification is the answer but bidding and reviewing processes is a good idea.

Member Carr further commented that more than one manager could complicate things and perhaps the manager should manage more. The Board has set the goals and how to get there. Capital preservation is paramount.

Ms. Watson suggested diversification between assets and maybe not more than one firm. She will develop a list of investment managers and RFP samples by the January meeting for the Board's review. The Board discussed sending out an RFP.

Report to Council on DC Conversion

The board reviewed and came to agreement on the content of the report to be provided to City Council.

Board Education

Ms. Williams commented that she provided each board member a MAPERS conference DVD. To meet the Joint Committee on Public Employee Retirement Governing Statute training requirements, each member should review at least two presentations. Member Sher suggested that each member review the Fiduciary Responsibility training module for discussion at a future meeting.

Other Matters

Member Humphrey stated that some employees inquire about additional retirement calculations for members, in addition to the annual benefit statement provided to each member annually—for example, a calculation for early retirement. The Board agreed that additional retirement calculations, except upon actual retirement, would be at the expense of the employee.

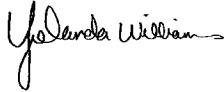
Next Meeting Dates

The Board agreed on the following meeting dates for 2010: January 26, April 27, July 27, October 26.

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 7:53 p.m.

Respectfully Submitted,



Yolanda Williams
Secretary