

**Minutes of Meeting  
Board of Trustees  
Non-Uniformed Employees' Retirement Fund  
April 17, 2007**

A meeting of the Board of Trustees was called to order at 7:10 p.m. in Room 6, 2<sup>nd</sup> floor, City Hall, 6801 Delmar.

Members in attendance: Julianne Niemann, Diane Sher, Anne Silverstein, Doris Johnson, Lela Fitch

Members absent: Alison Markenson (excused), Catherine Smith (excused), Council Liaison Michael Glickert (excused)

Others in attendance: Yolanda Williams, Human Resources Director (Acting Secretary)  
Janet Watson, Deputy City Manager/Finance Director (Treasurer)  
Larry Evans, Chief Accountant (finance dept.)

**New Chair**

Due to the expired term of Chair Gordan Myers, Member Fitch moved to elect Member Niemann as Chair. The motion was seconded by Member Johnson and carried.

**Minutes**

Member Fitch moved to approve the Board minutes of January 16, 2007, with the amendment of adding to the Investment Strategies topic that FAMCO would be directed to invest in American Funds EuroPacific Growth Fund Class F. The motion was seconded by Member Johnson and carried.

**Vouchers**

The attached listing of vouchers was reviewed. Member Sher moved to authorize payment of these vouchers. The motion was seconded by Member Fitch and carried.

**Applications for Membership**

None at this time

**Applications for Retirement**

None at this time

**Actuary Proposals**

The City issued a RFP for Actuarial Services to approximately fifteen firms. Proposals were received from AON Actuarial Services, Buck Consultants, CCA Strategies, and QBC Inc. Based on the selection criteria outline in the RFP, reference checks and personal interviews, staff recommended Buck Consultants.

**Buck Consultants' Fee Schedule (3 yr rate guarantee)**

	Non-uniformed	Uniformed
Annual Valuation (includes 2 meetings/yr)	\$8,900	\$8,900
Benefit Calculations	\$250	\$250
Additional charges, i.e. data cleanup	\$120-420/hr	\$120-420/hr

Member Sher moved to accept the proposal and actuarial services of Buck Consultants. The motioned was seconded by Member Fitch and carried.

Deputy City Mgr./Finance Director Janet Watson, will invite Buck Consultants to attend and present the annual valuation at the July 17, 2007 pension board meeting.

### **Fiduciary Asset Management Report**

Member Niemann commented that even with the recent dip in the market we are stable with modest positive returns.

### **Investment Strategies Follow-up**

Member Sher advised the board that she instructed FAMCO to liquidate 12% of the total Equity Investments with the following results:

- FAMCO will execute the purchase of American Funds EuroPacific Growth Fund Class F shares through two new Charles Schwab accounts.
- Schwab requires the names and personal information for the trustees that can act on behalf of the account—signed by Member Niemann and Member Sher.
- Once the accounts are open and FAMCO has wire instructions, they will draft a direction letter for signature from University City to UMB to transfer the stated dollars from the UMB account to the Schwab accounts. The approximate dollar amount to be transferred is \$1.7 million for Non-Uniformed Employees.
- FAMCO will sell equity securities as needed for the mutual fund purchase. FAMCO will attempt to time the mutual fund purchase as close as possible to the liquidation of the equity securities.

### **COLA for Retirees**

Ms. Williams advised that she followed up with the City Attorney John Mulligan regarding reporting requirements for an ordinance granting annual retirement benefit increases (COLAs) to retirees. Attorney Mulligan advised that “before the City Council could pass such an ordinance, a cost statement would have to be prepared by an actuary and be on file with the City Clerk and the (State)Committee for at least 45 calendar days. Within 7 days after the City Council passes the ordinance, University City would have to notify the Committee of such action. Thereafter, University City would have to notify the Committee each time an annual increase is provided. Notification could be by a letter simply stating, for example, that the University City Non-uniformed Employees Retirement System provided a 3% cost-of-living increase in retirement benefits, effective January 1, 2008. No new cost statement would have to be prepared each year on benefits provided pursuant to the ordinance.”

Ms. Williams also provided the Board a survey of 13 area cities regarding their COLA practice for retirees in a defined benefit plan. Eight of the 13 provide annual COLAs to retirees—determined by different methods. The Board particularly liked the City of Clayton’s approach—up to 2% based on CPI with a maximum lifetime adjustment equal to 25%—and asked that the actuary provide a cost study in conjunction with the annual valuation.

### **Other Matters**

Member Fitch, on behalf of non-uniformed employees, asked the Board to develop a plan to increase the benefit factor to 2% and also consider decreasing vesting from ten years to

five years. Ms. Williams mentioned that along the same line, she has had requests that the Board consider the rule of 80 and/or 85 and out with no reduction in retirement benefits.

Since cost studies were prepared in 2005 (as noted in the 8-23-05 minutes) for the 2% benefit factor and decreasing vesting from ten years to five years, the Board suggested that the actuary provide a cost study based on the rule of 80 and/or 85 in conjunction with the annual valuation and they will look at the impact of the three proposed changes together.

Member Sher asked Ms. Williams to provide the board an update on the City's contribution to this plan since the Board's August 2005 recommendation wherein they suggested that Council begin to make contributions.

Member Silverstein asked that these minutes reflect that this was her first meeting and as such she abstained from all voting during the meeting.

**Next Meeting Dates**

The Board affirmed the following meeting dates for the remainder of 2007:

July 17

October 16

**Adjournment**

There being no further business, the meeting adjourned at 7:37 p.m.

Respectfully submitted,

Yolanda Williams  
Acting Secretary