

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

Wednesday, February 13, 2013

MINUTES

CALL TO ORDER

Mrs. Vicki Lucido, Chair, called the meeting of the NCERP Committee to order at 9:15 a.m., in MPR-100, at the Harrison Education Center, at 3140 Cass Avenue, St. Louis, MO 63106.

Members Present

Vicki Lucido, Chair
Ruth Lewis
Calla White
Mike Wibbenmeyer, Vice Chair

Others Present

Bill Miller, Associate Vice Chancellor for
Human Resources
James Hayden, Plan Coordinator
Bruce Vogelgesang, Controller
Julie Hupperts (Towers Watson)
Jim Wilkinson (Columbia Management)
Don Schisler (Towers Watson)
Tim O'Neill

COMMENTS FROM PARTICIPANTS

None

APPROVAL OF MINUTES

Regular Meeting Minutes of August 8, November 15, 2012

Mr. Vogelgesang asked for a correction to be made to Clifton/Allen/Larson to reflect CliftonLarsonAllen, LLP. Mrs. Lucido asked for approval of the regular meeting minutes of November 15, 2012, with exception to changes brought to our attention by Mr. Vogelgesang. Motion to approve the minutes with the accepted changes was made by Mrs. Lewis and seconded by Mrs. White, the motion carried.

INVESTOR'S REPORT

Columbia Management's Investment Presentation as of December 31, 2012

Mr. Wilkinson, Senior Institutional Relationship Manager, presentation began with him stating that they will continue to improve their service to the Plan and wanted to share with the committee that a review of investment guidelines needs to be accomplished and revisited in the near future.

Wilkinson also states that at the macro level, the pace of economic growth remains very sluggish, as the Northeast recovers from the devastating effects of Hurricane Sandy which occurred October 29, 2012; also the Congress has delayed action to avert the fiscal cliff of tax increases and spending cuts. Sequestration may become a reality is probably not preventable. The presidential elections are now over but the result has left a split between the Senate and House and the prospects for cooperation across the aisle is questionable. The GDP growth came in at a positive 3.1 percent and a positive 2.6 percent for the year (2012).

The Fed is anticipated to keep interest rates accommodative until 2015, and in September 2012 there were some discussions concerning third quarter easing. Mr. Wilkinson stated there were 180,000 jobs added to the rolls to increase the unemployment rate to below 8 percent, which is lowest it has been in a quite some time.

The Plan's beginning market value was \$64,326,940 and the ending market value was \$64,150,743, a decrease of 0.001 percent. The sluggish economy continues to tread water but just barely.

Mr. Wilkinson asked if there were any questions:

Mr. Vogelgesang asked for Mr. Wilkinson to go back to page 5 of the investment review for an explanation of the target percentages.

Mr. Wilkinson stated that there is a 60/40 mix with 38/62 being more accurate representation, but this is part of the review that needs to be accomplished. Mr. Wilkinson stated that he would like to access, review and revisit the guidelines. Mrs. Lucido proposed that the topic of reviewing the guidelines be placed on the next agenda. Everyone agreed.

Mr. Miller asked what direction Mr. Wilkinson sees the Plan going.

Mr. Wilkinson answered at this point the Fixed Income will probably show low single digit returns, however; equities would probably return somewhere between 7 to 10 percent.

Mrs. White commented that she feels the economy is getting better and many of the self-employed in our communities have increases in annual salaries. Mr. Wilkinson reiterated from the last meeting the main problem we are facing is going over the fiscal cliff. The bottom line seems to be the budget cuts.

Mr. Wilkinson asked if there were any further questions. No further questions asked.

REPORT ON NEW PARTICIPANTS/RETIREE/RETURN OF CONTRIBUTIONS/DECEASED RETIREES

Mr. Hayden reported that six (6) new participants were added to the Plan and one (1) separated from the College. The terminated participant who requested the return of her contributions and interest totaled \$12,836.73.

During the same period, five (5) Plan participants chose to retire. Four (4) chose the Annuity Payments for Life Option and one (1) chose the Lump Sum Payment totaling \$158,044.00.

Also, there was (1) retiree who expired during this period who was receiving a monthly benefit pension and payments have been suspended.

SUBMISSION OF BILLS

Ms. Lucido made a motion, seconded by Mrs. Lewis, to ratify the payment of six (6) bills presented to the Committee during the reporting period. The motion carried. The bills included:

Towers Watson - Actuarial Services: (10/1/2012-12/31/2012)	\$17,500.00
Columbia Management - Investment Services: (10/1/2012-12/31/2012)	\$33,018.21
State Street Bank – Benefit Payments: (10/1/2012-12/31/2012)	\$1,353.03
State Street Bank – Trust Services: (10/1/2012-12/31/2012)	\$14,439.72
Treat America – Services Rendered: (11/15/2012)	\$84.75
St. Louis Community College - Human Resources Charges: (02/08/2013)	\$37,744.46

REPORT FROM ACTUARY

Mr. Schisler stated there were no new reports, but he went on to discuss the Scope of Work (SOW) that was provided and included in the committee's meeting materials, and hopefully everyone had a chance to review. He highlighted that the 2013 analysis of plan demographic experience for the 5 year period ending June 30, 2012 is necessary and will provide the basis for the actuarial assumptions used for the 2013 valuation of NCERP. The auditors are likely to ask about the assumptions, particularly as the requirements of the new GASB 67 and 68 statements are implemented. The analysis has been priced as reasonably as possible, and Towers Watson doesn't think it could be completed for any less than specified in the SOW (\$15,000.00). Mr. Schisler wanted to emphasize that the Plan should have this analysis performed every three (3) to (5) five years. This will ensure professional standards are adhered to and auditors will be looking for the completion of such a study to justify Plan assumptions.

He further detailed that the study will include the incidence of employment termination, retirement and lump sum elections, the rate of salary increases and the level of administrative expenses paid from the Plan. Mrs. Lucido asked for a motion to complete the study and Mrs. Lewis so moved, motion was seconded by Mr. Wibbenmeyer and the motion carried to approve the Scope of Work presented by Towers Watson.

Mr. Schisler also asked if the committee would be interested in a training session on fiduciary responsibility. Fiduciary training was last conducted in 2005, and the committee is now

comprised of several new members. Mr. Schisler would like to arrange this training by a Towers Watson consultant who specializes in these sessions. If possible, the session would be scheduled at a time when the trainer could come to St. Louis and also conduct sessions for other clients of Towers Watson. This would allow for the sharing of the travel expenses among several clients if the committed has an interest in the training. Mr. Vogelgesang asked if Mr. Hayden would check with Mrs. Rebecca Garrison for fiduciary responsibility liability for the Plan. Mr. Hayden acknowledged that he would.

After much discussion concerning the fiduciary responsibility training, Mrs. Lucido summarized the training was a good idea and probably necessary for the NCERP committee members. Mr. Miller added that he thought a refresher course on fiduciary responsibilities is probably necessary. The committee may be under obligations they are not aware of and he feels a refresher training course is in order. Mr. Schisler indicated he would work with Mr. Hayden to schedule the training. He and Mr. Hayden decided it would be best if the training would take place sometimes after the next quarterly meeting on May 8, 2013. The assumptions reporting and discussion will be take place this quarter and the fiduciary responsibility training will take place during the following quarter.

UNFINISHED BUSINESS

NCERP REPORTS

Mr. Hayden reported to the NCERP committee that the COLA increase for all eligible retired participants has been applied to their monthly benefit pension effective January 1, 2013. Also, they were all notified by December 20, 2012 of their COLA increase and allowed to opportunity to increase their tax deductions.

Hayden continued to share that in an ongoing effort to support college's "paperless initiative," the NCERP newsletter will be released via a broadcast e-mail with a link to the latest NCERP newsletter. This newsletter is released to all NCERP participants currently contributing to the Plan, or has ever contributed to the Plan (PSRS participants with NCERP contributions). However; all housekeepers will continue to receive paper copies of the NCERP newsletter, due to their limited access to personal computers.

Mr. Hayden says he is continually seeking avenues to make NCERP the most efficient retirement plan available and will pursue efforts to provide the best customer service available. We are currently seeking a process that will allow terminated employees to have access to the return of contributions form, along with a tax information sheet will be provided through the *new* exit interview procedures that are being implemented by Human Resources department.

Mrs. White personally thanked Mr. Hayden for his many initiatives in supporting the Plan throughout the years and for making the Plan assessable to all Plan participants. Benefit calculator for benefit are now on-line, providing the NCERP newsletter to each participants, and

for now providing it electronically. She feels the Plan is very user-friendly. Mr. Hayden thanked her for her comments.

NCERP’s Operational Budget – Ending December 31, 2012 – James Hayden

The original budget for the 2012-2013 fiscal year was \$395,722.00 and as of, December 31, 2012, with the deduction of all approved expenditures in this meeting the remaining balance is \$218,481.61 and there is no reason the Plan shouldn’t complete the fiscal year the established budget.

NEW BUSINESS

There being no further business, a motion was made by Mrs. Lucido and seconded by Ms. Lewis to adjourn the meeting. The motion carried and the meeting was adjourned at 10:31 a.m. The meeting of the next NCERP Committee will take place on Wednesday, May 8, 2013, 9:15 a.m., at the Forest Park Campus.

Chairman

Date

Administrator

Date