

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

Wednesday, May 8, 2013

SUMMARY MINUTES

CALL TO ORDER

Mrs. Vicki Lucido, Chair, called the meeting of the NCERP Committee to order at a.m., in Café East, at the Forest Park Campus, at 5600 Oakland, St. Louis, MO 63110.

Members Present

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

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 February 13, 2013

Mrs. Lucido asked for approval of the regular meeting minutes of February 13, 2013. Motion to approve the minutes made by Mrs. Ruth Lewis and seconded by Mrs. Calla White, the motion carried.

INVESTOR'S REPORT

Columbia Management's Investment Presentation as of March 31, 2013

Mr. Wilkinson, Senior Institutional Relationship Manager, presentation began stating that the DOW has recently reached a historical level surpassing 15,000 points, which many consider a great occurrence. However, many feel that prices are exaggerated and market will correct itself with a deflated market at some point in the near future. Unemployment has fallen from 7.9 per cent to 7.7 percent for the quarter and is expected to reach at least 7.5 per cent in the near future. Appears stock prices are modestly high and hiring is predicted to increase more aggressively

than it has , but many hold the opinion that some of the unemployed have lost hope and are no longer seeking employment. Wilkinson further informed the committee that interest rates are reported to remain low and will only rise when unemployment numbers are lower under the newly implemented “Evans Rule.” Under this rule unemployment levels are forecasted to decrease to almost 6.5 per cent in March of 2015, and speculators anticipate an interest rate increase at that time.

Gross Domestic Product (GDP) growth was up 0.4 per cent for the quarter, with a substantial drop in government spending which detracted from growth, but consumer spending and business investment are reported to be healthy. GDP growth is expected to be around 2.0 per cent for the year ahead. It is a slow crawl back to full market stability and it will take some time to recover. Our diverse portfolio is key to much of this quarter’s success.

This quarter the beginning balance as of January 1, 2013 was \$64,150,743, ending balance as of March 31, 2013 was \$66,860,709. Quarterly earnings were 5.57 per cent, year to date earning was the same 5.57 per cent, year to date earnings were at 8.69 per cent, and over the last 10 years the rate of return is at 8.46 per cent.

Wilkinson then submitted an edited Investment Policy Statement for review. Most of the changes he described as name changes, replacing Banc of America with Columbia Management, adding “district” to the name of the college was also identified. Wilkinson further indicated that Columbia Management is seeking a change in the amount of liquidity from 1% to 2% for pension payments and routine operations of the fund, and also changing the investment percentage of equities to the maximum of 70 per cent, versus the current maximum amount of 60 per cent. Also, the current bench mark of the S&P 500 would be more appropriately replaced with the S&P 600, the international equity portion will be measured against the MSCI Value Index and the fixed income portion of the portfolio will be measured against the Barclay Aggregate Index, replacing the Lehman Barclays Aggregate Index. The cash portion will be changed to be measured against the BoA Merrill Lynch 90-day Treasury Bill Index.

After much discussion Mr. Kevin White moved to accept the revised investment guidelines; Calla White seconded; the motion carried.

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

During the reporting period of January 1, 2013 through March 31, 2013, Mr. Hayden reported that 12 new participants were added to the Plan and three (3) separated from the College. Those terminated participants who requested their return of their contributions and interest totaled \$17,274.73.

During the same period, six (6) Plan participants chose to retire. Two (2) chose the Annuity Payments for Life Option and four (4) chose the Lump Sum Payment totaling \$538,041.85.

Also, there was one retiree who expired during this period who was receiving monthly benefit payments and those payments have been suspended.

SUBMISSION OF BILLS

Mrs. Lucido asked for a motion to ratify the payment of six (6) bills presented to the committee during the reporting period. Kevin White, then seconded by Ruth Lewis. The motion carried. The bills included:

Towers Watson - Actuarial Services: (1/1/2013-3/31/2013)	\$17,500.00
Columbia Management - Investment Services: (1/1/2013-3/31/2013)	\$31,824.34
State Street Bank – Benefit Payments: (1/1/2013-3/31/2013)	\$1,479.42
State Street Bank – Trust Services: (1/1/2013-3/31/2013)	\$14,200.40
Nadoz Catering – Services Rendered: (2/13/2013)	\$218.00
Armstrong Teasdale, LLP (through 3/31/2013)	\$1,093.90

REPORT FROM ACTUARY

Mr. Schisler, Towers Watson, reported that he had nothing to report to the committee but wanted to remind everyone that neither he nor Julie would be present at the quarterly committee meeting scheduled for the August 14, 2013, due to the new guidelines in the work agreement. Then, Mr. Schisler stated he would talk about the Experience Analysis and Assumption Review during the new business section of the agenda.

Lastly, Mr. Schisler asked if the fiduciary training was all set for the May 29, 2013 and Mr. Hayden clarified that the training would take place on May 29, 2013, at 10:00 a.m., in the large conference room in Human Resources, second floor, Room CC-211. All committee members have accepted the fiduciary training via the Outlook Calendar system.

UNFINISHED BUSINESS

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

The original budget for the 2012-2013 fiscal-year is \$395,722.00; as of March 31, 2013, with the deduction of all approved expenditures expenses in this meeting, including the encumbered expenses the remaining balance is \$127,442.31. Barring unforeseen circumstances, the Plan will complete the fiscal-year under budget.

New NCERP Budget Proposal – Fiscal Year 2013-2014 – James Hayden

The CPI rate of inflation last year was 1.5 per cent according Don Schisler of Towers Watson. Taking that into consideration, the new proposed budget amount for the 3103 -2014 fiscal-year has been increased to the amount of \$407,018. Mrs. Lucido asked for a motion to approve the fiscal-year 2013 -2014. Mr. Wibbenmeyer moved to accept the proposed budget; Kevin White seconded; the motion carried.

NEW BUSINESS

On April 10, 2013, in the Human Resources large board room, Room CC-211, there was an Experience Analysis and Assumptions Review meeting provided by Towers Watson's Mr. Schisler and Mrs. Hupperts. The review included background for the need of the study, various analyses, asset valuation used when valuing the plan, and the financial impact of proposed changes. Indicators are that the valuation method needs to be changed to a 5 year smoothing method versus the 20 per cent closure to market method currently utilized. New assumptions and proposed changes were discussed at some lengths. Mrs. Lucido asked for a motion to approve the new assumptions presented by Towers Watson, plan's actuary. Mr. Kevin White moved to approve, Mrs. Calla White seconded and the motion carried.

There being no further business, a motion was made by Mrs. Lucido and seconded by Mrs. Lewis to adjourn the meeting. The motion carried and the meeting was adjourned at 10:31 a.m. The meeting of the next quarterly NCERP Committee meeting will take place on Wednesday, August 14, 2013, 9:15 a.m., at the Florissant Valley Campus.

Chairman

Date

Administrator

Date