

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

February 12, 2014

MINUTES

CALL TO ORDER

Mr. Kevin White called the regular meeting of the NCERP Committee to order at 9:17 a.m. in Room SC-25, at the Forest Park Campus.

Members Present

Ruth Lewis
Vicki Lucido
Kevin White, Chairperson
Michael Wibbenmeyer

Others Present

Don Schisler (Towers Watson)
Bill Miller (ex-officio)
Scott Tate (ex-officio)
James Hayden, Plan Coordinator
Jim Wilkinson (Columbia Management)
Kent Kay
Tim O'Neill
John May

COMMENTS FROM PARTICIPANTS

None.

APPROVAL OF MINUTES

Regular Meeting Minutes of November 12, 2013

Mr. White moved that the minutes of the regular meeting of November 12, 2013 be approved as written, with the exception of one correction pointed out by Mr. White. Mrs. Lucido made motion to approve the minutes as written with the correction amended and Mr. Wibbenmeyer seconded the motion, the motion carried, the minutes are approved as written.

INVESTORS' REPORT

Columbia Management's Investment Presentation as of December 31, 2013.

Mr. James Wilkinson, Columbia Management, Senior Institutional Relationship Manager, began his presentation by reviewing what has occurred during the last quarter ending December 31, 2013. There was a government shut down for 16 days, debt ceiling got extended and was the

catalyst for the equities market taking off, performance for stocks increased for the year, Gross National Product (GNP) reached 4.1 percent for the quarter, quantitative easing has begun, the Fed's decision to taper assets purchase programs from \$85bn to \$75bn. Expectations are that we anticipate more quantitative easing from the federal government. DOW has had its best year since 1998 and the S&P's best year since 1997. The new Fed chair is in place, Mrs. Janet Yellen, who replaced Mr. Ben Bernanke, providing continuity because she was the assistant chair for a number of years. Her comments at her first Fed meeting were very much welcomed by the market as a noted increase of market value increased by over 200 points. Her pace seems to remain the same as her predecessor. Inflation reports reveal that the CPI rates are at a benign 1.2 per cent. Employment gains are in the mid 6 per cent range, with manufacturing employment accelerating significantly. There are concerns the employment participation rates are dwindling as some of the unemployed are no longer seeking employment.

Mr. Wilkinson further explained, that in a short synopsis of the Plan attention was placed on page 12 of the quarterly financial report which reflects the quarter started slightly under \$67M market value, with almost \$500K in withdrawals from the Plan, the income earned for the quarter offset that amount, as it was over \$500K. The change in market value was over \$3.2M, and at the end of the quarter the Plan's assets grew slightly above \$72M. This growth is attributed to the diversified mix of assets across multiple asset classes. Mr. Wibbenmeyer asks question, if Mr. Wilkinson was finding it easier to move funds since new changes have been implemented? Mr. Wilkinson responded that we are currently underweight in the fixed income, but we think interest rates will rise and will want to increase that margin at the appropriate time. So, recent changes have enhanced performance significantly.

Investment performance over the past year has been 17.25 per cent, over the past 3 years it has been 10.14 per cent, over the last 5 years a rate of 12.89 per cent and over the last 10 years at 7.38 per cent, and the 7.38 lowest return over the last ten years is very similar to the actuary's assumed return of 7.25 per cent. Over the long haul the plan has performed significantly well.

Mr. Kay out of concern of cost asked for the amount of management fees and Mr. Wilkinson fees responded with largely the fees are 22 basis points for the fixed income as well as the index funds, for exact measurements for other sectors will be provided later.

Plan actuary, Mr. Don Schisler, Towers Watson, poses a question concerning the value of the Plan's assets as of this date? Wilkinson answered slightly over \$70M at the end of January, with the market assets increasing up to today's date.

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

Mr. Hayden reported that during the period of September 1, 2013 through December 31, 2013 there were three (3) new participants added to the Plan and eight (8) separated from the College.

Of those who separated from the college; their returned contributions and credited interest totaled \$62,153.68.

Same period, four (4) Plan participants chose to retire. Two (2) chose the Annuity Payments for Life Option and two (2) chose the Lump Sum Payment totaling \$154,612.78. No one chose the 50 percent Annuity/50 percent Lump Sum method of payment this quarter.

Also, there was one retiree who expired during this period who was receiving a monthly benefit pension; Mrs. Virgie Smith, who worked at the Forest Park campus, expired December 1, 2013.

SUBMISSION OF BILLS

Mrs. Lewis made a motion to ratify the (6) payments presented to the committee, seconded by Mr. Wibbenmeyer, the motion carried. The bills included:

Towers Watson – Actuarial Services (09/01/13-12/31/13)	\$17,500.00
Columbia Management Investment Services (09/01/13-12/31/13)	\$32,499.53
State Street Bank and Trust Company (09/01/13 - 12/31/13)	\$ 1,562.71
State Street Bank and Trust Company (09/01/13 - 12/31/13)	\$ 15,466.01
Treat America: November 13, 2013	\$ 88.95
St. Louis Community College - Human Resources Charges: (02/08/2013)	\$37,666.02

REPORT FROM ACTUARY:

Mr. Schisler reported to the NCERP committee that the Plan is doing fine, but nothing specific to report on, and asked if anyone had any questions. Mr. Kay wanted to know if we were aware of the new GASB auditing requirements. Mr. Schisler indicated a meeting was necessary to work out any issues with the auditors to avoid any complications. Coordination of meetings will be managed through the NCERP committee/NCERP office.

UNFINISHED BUSINESS

NCERP Retirees' COLA Increase for 2014

The one (1) per cent NCERP Cost of Living Allowance (COLA) increase for eligible retirees has been included in the January 1, 2014 retiree annuity benefit payments.

NCERP's Operational Budget – Ending September 30, 2013– James Hayden

The original budget for the 2013-2014 fiscal year was established at \$407,019.00 and as of, December 31, 2013, with the deduction of all approved expenditures of \$180,027.13, the remaining balance for the quarter is \$226,991.87.

NCERP Reports:

Mr. Hayden reported to the committee that he is spending additional time on Human Resources department projects. He has committed to the HR on campus initiative on February 28, 2014, he will be briefing employees on their benefits and provide a power point presentation. He is also working on a discount web-page project for all employees to utilize. Mr. Miller interjected that the discount web-page is in its infant stage, and we have asked James to be the point person for that project. Mr. Miller also wanted to inform the NCERP committee the scanning project has begun. Mr. Hayden further updated the committee that in today's approved NCERP quarterly committee meeting minutes, slight oversights/mistakes have been made because of attention being paid to other additional responsibilities, but management feels it is to be expected with the additional responsibilities, so Mr. Hayden is soliciting the committee's support in reviewing all written communications from him very carefully. Mr. Miller spoke to clarify that the HR department has a tremendous workload and being able to utilize Mr. Hayden's talents is an asset.

ADJOURNMENT

There being no further business, a motion was made by Mr. White and seconded by Mrs. Lucido to adjourn the meeting. The motion carried and the meeting was adjourned at 10:15 a.m. The meeting of the next NCERP Committee will take place on Wednesday, May 14, 2014 at 9:15 a.m., at the Cosand Center.

Chairman

Date

Administrator

Date