

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

May 11, 2016

MINUTES

CALL TO ORDER

Mr. Mike Wibbenmeyer called the regular meeting of the NCERP Committee to order at 9:15 a.m. in the SC-031, Café East, at the Forest Park Campus.

Members Present

Ruth Lewis
Bill Miller
Keisha Robinson
Calla White
Kevin White
Mike Wibbenmeyer
Paul Zinck

Others Present

Don Schisler
Jim Wilkinson
Steve Kanterman
Tim O'Neill
John May
James Hayden

COMMENTS FROM PARTICIPANTS

No Comment from Participants

APPROVAL OF MINUTES

Regular Meeting Minutes of February 10, 2015

Mr. Wibbenmeyer moved that the minutes of the regular meeting of February 10, 2016 be approved as written. Mrs. Ruth Lewis seconded the motion.

INVESTORS' REPORT

Columbia Management's Investment Presentation as of March 31, 2016.

Mr. James Wilkinson, Columbia Management, Senior Institutional Relationship Manager, began his quarterly presentation by indicating this past quarter has been anything less than a "wild ride." Market volatility has been the main stay ending the quarter with some losses. Markets seemed to bottom out as gas prices hit their lowest prices at \$20 per barrel in February, 2016 and is now trading at about \$26.00. Equities did manage to eke out a positive return for the quarter overall. Globally equities were down 11 per cent but at the end of the quarter they rallied at 13 per cent and U S equities performed about the same down 11 per cent and then up 13 per cent by

the end of the quarter. Volatility has been experienced worldwide. Financials were somewhat comparable to the financial crisis in 2008, but only on a smaller scale.

Interest rate increases were the driving force for much of the market's disarray, and rates are anticipated to go up again during the rest of this year. The Fed are anticipated to hike interest rates 2 times in the near future, maybe in June 2016 and maybe again early in 2017. The Gross Domestic Product (GDP) growth is being forecasted to reach 2.0 per cent for 2016. Two ways to control the economy; monetary and physical. The Fed is regulating the monetary aspects by rate increases and the physical is being controlled by congressional and executive measures. With this being a Presidential election year no changes in physical policy are anticipated this year. Growth of the economy is certainly less than robust.

Mr. Miller poses the question, "if this fairly typical?" Wilkinson responds with, "actions are generally muted going into the general election year and that is typical." Also, markets are more global, companies are more global, foreign decisions have impact on our economy. Mr. Miller wanted to know, "if we could have implemented changes to prevent these losses?" Mr. Wilkinson responds with the fluctuations of the market for this quarter could not have been predicted. The introduction of the likes of a Zika virus could never have been anticipated.

Our Asset Allocation: Fixed Income: 38 per cent, Small Cap Index: 9 per cent, Large Cap Enhanced: 39 per cent, International Value: 5 per cent, International Opportunity: 5 per cent and Cash: 4 per cent. Big stocks outperformed the small stocks this quarter.

The Plan grew by 1.3 per cent as we started the quarter at \$72,437,926, our Net Contributions/Withdrawals (\$1,726,890), Income Earned \$345,216, Change in Market Value \$509,539, ending market value as of March 31, 2016 is \$71,565,791.

The custom bench mark this quarter was at 2 per cent, we earned 1.3 per cent, the one year gain for the Plan was a loss of -0.22, three year gain is 7.34 per cent, 5 year gain is 7.39 per cent, 10 year gain is 6.18 percent, and 9.04 per cent since the Plan's inception. Over the long haul the Plan has met its actuarial assumption.

Mr. Zink asked about allocation of investment options and what are the indicators he uses? Monitoring the Plan's investment options, he is looking to the portfolio managers as he doesn't make any investment decisions he looks to the asset allocation management team and the portfolio manager to understand exactly what they are doing. He makes no decisions, but provide oversight to both of these entities. Mr. White interjects with a question to determine if he felt there was troubling concerns would he look at changing strategies. Mr. Wilkinson looks at the investments guidelines, and if we wanted to adjust investment strategies under the guidelines he would come to the NCERP committee to discuss prior to making any investment decisions. He asked if there were more question, there not being any, we moved on.

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

During the same period, eleven (11) Plan participants chose to retire. One (1) chose the Annuity Payments for Life Option and six (6) chose the Lump Sum Payment option totaling \$983,960.71. Four (4) participants chose the 50 percent Annuity/50 percent Lump Sum method of payment.

Also, there were two retirees who expired during this period who was receiving a monthly benefit pension; Mr. Lawrence Kourik, who worked at Meramec campus, expired December 27, 2015, and Mr. Arnold Klammert who worked at Forest Park, expired March 4, 2016, both monthly benefit payments has been suspended.

Mr. Hayden reported that during the period of January 1, 2016 through March 31, 2016 there were twelve (12) new participants added to the Plan and three (3) separated from the College. Of those who separated, their returned contributions and credited interest totaled \$38,812.11.

SUBMISSION OF BILLS

Mr. Mike Wibbenmeyer asked for a motion to approve the payment of the following bills. Mr. Kevin White made a motion to approve the payment of the (8) eight invoiced accounts and Mrs. Lewis second the motion, the motion carried. The bills included:

Willis Towers Watson – Actuarial Services (01/01/16 – 3/31/16)	\$16,250.00
Columbia Threadneedle Investment Mgt (01/01/16 - 3/31/16)	\$31,013.59
State Street Bank and Trust Company (01/01/16 – 3/31/16)	\$ 1,990.89
State Street Bank and Trust Company (01/01/16 – 3/31/16)	\$21,509.54
Nadoz Catering – Reimbursement for Refreshments; February 11, 2016	\$ 179.00
CliftonLarsonAllen - Auditing Services ending June 30, 2016	\$ 600.00
Armstrong Teasdale – Legal Services ending January 31, 2016	\$ 715.00
Armstrong Teasdale – Legal Services ending March 30, 2016	\$ 290.02

REPORT FROM ACTUARY

Mr. Schisler, Towers Watson, reported to the committee that they now have a new name “Willis Towers Watson”, as they have merged with “Willis” and are now “Willis Towers Watson Public Liability Company, as of January 1, 2016. No changes are anticipated with the new change. He then indicated that he would be providing the interest for employee contributions and the new lump sum rates in the near future, no changes are anticipated.

UNFINISHED BUSINESS

NCERP's Operational Budget – Ending March 31, 2016– James Hayden

The original budget for the 2015-2016 fiscal year was established at \$419,774.00 and as of, March 31, 2016, with the deduction of all approved expenditures of \$262,164.24, including the encumbered charges of \$19,429.75, the remaining balance for the upcoming quarter is \$138,180.01.

NCERP Reports: Mr. Hayden indicated he has planned to attend a Retirement Plan conference in Chicago mostly addressing Plan fees, fiduciary responsibilities, conducting Request for Proposals (RFPs) for services. The Mid-Sized Retirement and Healthcare Plan Management conference is being held on June 14 – June 17, 2016. Mr. Hayden feels this is perfect timing as the NCERP committee has been recently challenged with conducting RFPs for all Plan services. Mr. Wibbenmeyer posed the question to the committee “if anyone on the committee was interested in attending the conference with Mr. Hayden?” Mr. Wibbenmeyer asked when would be a timely suspense on submitting others names to be considered. Mr. Hayden responded a week from today would be a reasonable response time. Both; Mrs. Calla White and Mrs. Keisha Robinson expressed an interest in attending the conference. Mr. Hayden indicated he would make the arrangements.

Also, Mr. Hayden indicated that a request for documents have been made dating back to 1969, from a participant who submitted the request to the Local Union 3506 and is concerned if this was legitimate request. After much discussion the committee concluded the request should come directly to the NCERP committee and there should be a cost assessed for the research and copying services going back to 1969.

NEW BUSINESS

Mr. Hayden asked the NCERP committee to provide approval to the new budget that is in the packages mailed to the committee members. Proposed budget introduced for FY 2016/2017 was submitted for approval, but as further investigation revealed that the budget was not collated properly and was not completely represented, then Mr. Zinck proposed that the budget not be finalized until a determination could be made on salary rates negotiations for possible salary increases and an increase in benefits should be calculated with the new increased amounts, not the CPUI-Index rate of increase at 0.085 percent. Mr. Hayden agreed to finalize the budget and present for approval at the next NCERP committee meeting tentatively scheduled for August 10, 2016.

Mr. Zinck informed the NCERP committee of the changes in auditing firms. CliftonLarsonAllen, LLC will no longer be the college auditors. In indicated that they have gone through the Request for Proposal (RFPs) process and the new auditing firm selected has been

determined to be KPM CPAs and Advisors for a (5) year contract, approved by the Board of Trustees.

Mr. Zinck also expressed to the NCERP committee that it is a good idea to entertain the Request for Proposal process for the actuarial services, the investment services and the trust agency services. Feels strongly that the fiduciary responsibility rests with the NCERP committee to do so. Mr. Wibbenmeyer posed the question of existing contracts and it was determined that the contracted services are on an opt-out basis with a 30 day notice. After much discussion the NCERP committee has determined that will be entertaining the RFPs process for all services provided to the Plan. Mr. Schisler suggests that the contract for actuarial services is better ended at the end of the year. Mr. White suggest that we take a look at the Request for Proposal process will be better entertained at the November meeting. Mr. Zinck told the committee that by the next committee meeting he could provide some samples of the RFPs for them to review and would be ready to proceed or wait until the committee had a chance to adequately review the sample RFPs. Mr. White moved that we look at the RFPs at the next committee meeting in August 10, 2016 meeting. Motion was seconded by Mrs. Robinson.

Mr. Miller wished to share with the NCERP committee that the Department of Labor (DOL) are considering changes in overtime policy, which may impact the non-certificated employees. The definition of an employee under the NCERP Plan policy was determined as an employee **not** working in a position requiring a degree. After which it was determined that the DOL'S decision may have no impact on the plan at all, but as a committee would have to approach the DOL's change as it is revealed and determine its impact at that time. After much discussion the NCERP committee decided to wait until the DOL make a final decision and determine if any action is necessary and to seek legal counsel to ensure we are in full compliance, if necessary.

CLOSED SESSION: No reason was provided for the need to go into a closed session.

ADJOURNMENT

There being no further business, a motion was made by Mrs. White and seconded by Mrs. Lewis to adjourn the meeting. The motion carried and the meeting was adjourned at 10:57 a.m. The meeting of the next NCERP Committee will take place on Wednesday, August 10, 2016 at 9:15 a.m., at the Meramec Campus, SC-125.

Chairman

Date

Administrator

Date