

NON-CERTIFIED EMPLOYEE RETIREMENT PLAN (NCERP)

COMMITTEE MEETING

February 10, 2017

MINUTES

CALL TO ORDER

Mrs. Calla White, committee chair, called the regular meeting of the NCERP Committee to order at 9:17 a.m. in the 5th floor large board room, at the Cosand Center.

Members Present

Calla White, Chairperson
Keisha Robinson, Vice Chairman
Kevin White
Ruth Lewis

Others Present

James Hayden, Plan Coordinator
Julie Hupperts (Towers Watson)
Bill Miller (ex officio)
Celeste Metcalf (ex officio)
Jim Wilkinson (Columbia Management
Carletta Kemp
Mary Moffatt
Jana Kell
Susan Kennedy
Patty Berkhart
Melinda Watson
Ann Noland
Sherri Timmermann
Saba Mahari
Beth Herr
Norma Hahn
Cathy Reitz
Cheryl Fowler
Mary Ann Wagner
Tamara Howard
Steve McCloughman
Tim O'Neill

COMMENTS FROM PARTICIPANTS

None.

APPROVAL OF MINUTES

Regular Meeting Minutes of November 9, 2016

Mrs. White moved that the minutes of the regular meeting of November 9, 2016 be approved as written, Mrs. Lewis provided the motion and Mrs. Robinson second the motion. The NCERP committee meeting minutes, November 9, 2016 were approved as written. The motion carried.

INVESTOR'S REPORT

Mr. Wilkinson, Senior Portfolio Manager, Columbia Threadneedle, began his quarterly report by sharing with the NCERP committee that during the last quarter there were a whole host of headlines that occurred during the year that impacted the markets. There were issues of concerns about the Chinese economy collapsing causing equity markets to plummet at the first (6) six weeks of the year, corporate earnings were declining during the year, the Brexit report came as a surprise and caused markets to gyrate some, and then our own presidential elections had some impact on the market volatility, however; since that time the market has rallied back to a reasonable level. In 2016, the S&P earned somewhere around (9) nine per cent for the year.

Risk aversions have moved to safe havens, perceived safe barrier in treasuries. However equities have rallied and the Plan's equities have provided positive positions for our portfolio. Gross Domestic Product (GDP) for the upcoming year is being predicted at about 4 per cent, in excess of the 2 per cent or less has been the norm. Treasury department anticipates 3 interest rate hikes during the year, probably 2 is more realistic according to our sources. The employment rate is historically still under 5 per cent, certain skills and functions are still very difficult to fill.

For the quarterly portfolio review, we began the quarter at \$71,403,782 assets, the quarterly withdrawals were at (\$918,030) retirement payments, the earned income was \$895,490 and the change in market value were \$296,444, and the ending market value as of December 31, 2016 we are at \$71,677,686 in assets. Once again, our very diverse portfolio, even within the respective classes are diverse, has assisted significantly in the Plan's gains.

The Plans assets grew 1.66 per cent, blended benchmark for the Plan was at 1.41 per cent, so for the year we performed under the benchmark of 8.94 per cent, reaching only 8.03 per cent, but at the 5 year, 10 year and since inception we performed above the benchmark. Mr. Wilkinson ask if there any questions.

Mr. Miller asked how and if the dilemma of a struggling workforce seeking skilled and qualified employees would impact the plan? Mr. Wilkinson answered with demand for skill workers is somewhat higher than the skilled workers available so the market of the skilled labor force

becomes inflated. Supply vs demand, supply being higher creates an increase in value of the skilled worker. Mr. Miller wanted to know how that relates to earnings. Mr. Wilkinson further illustrated that equities and the market overall perform better when the economy is striving, increase in productivity, regulations are decreased and spending is increased. Mr. Hayden reminds Mr. Wilkinson that he had promised to look into the International piece of the portfolio and Mr. Wilkinson responded with he and his team are still researching the aspect of locating a better alternative.

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

Mr. Hayden reported that during the period of October 1, 2016 through December 31, 2016 there were eight (8) new participants added to the Plan and also, there were three (3) who separated from the Plan. Of those who separated from the college; their returned contributions and credited interest totaled \$7,767.13.

Same period, seven (7) Plan participants chose to retire. Three (3) chose the Life Time Annuity Payments for Life Option and four (4) chose the Lump Sum Payment totaling \$1,044,092.77. No one chose the 50 percent Annuity/50 percent Lump Sum method of payment this quarter.

Also, Mr. Hayden reported that there were no reported deaths during this quarter ending December 31, 2016.

SUBMISSION OF BILLS

Mrs. White asked for a motion to ratify the eight (8) payments presented to the committee, seconded by Mrs. Robinson and Mr. White, the motion carried. The bills included:

Towers Watson – Actuarial Services (10/01/16-12/31/16)	\$16,250.00
Columbia ThreadNeedle Services (10/01/16-12/31/16)	\$30,895.66
State Street Bank and Trust Company (10/01/16 - 12/31/16)	\$ 1,709.30
State Street Bank and Trust Company (10/01/16 - 12/31/16)	\$ 19,190.98
State Street Bank and Trust Company (7/01/16 - 9/31/16)	\$ 18,660.85
Treat America: November 9, 2016	\$ 90.00
KPM CPAS & Advisors: Plan Audit, Year Ending (6/30/16)	\$ 15,000.00
C-BIZ: Financial Statement, Year Ending (6/30/2016)	\$ 3,477.50

Approval:

St. Louis Community College - Human Resources Charges: (02/09/2017) \$42,259.58

REPORT FROM ACTUARY:

Mrs. Hupperts reported there was nothing major to report to the committee.

UNFINISHED BUSINESS

Request for Proposal (RFP) – Mrs. Celeste Metcalf

Mrs. Metcalf conveyed to the NCERP committee that we need to be vigilant and continue seek the let for bid process for all vendors we are currently paying to determine if the amounts we are paying for services are competitive.

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

The original budget for the 2016-2017 fiscal year was established at \$428,530.00 and as of, December 31, 2016, with the deduction of all approved expenditures of \$197,005.80, the remaining balance for the quarter is \$231,524.20.

NCERP Reports: Mr. Hayden wished to thank all the participants who were in attendance. He further expressed that his views concerning the amount of participants who were in attendance at today's quarterly committee meeting. He continued by indicating that any information concerning the Voluntary Separation Incentive Program (VSIP) is not available at this time. He ensured his audience as soon as he has heard the particulars about the VSIP he would share them with the participants. However; as it stands today no information is available and it may take as long as April 2017 before we can determine exactly what will be offered in a voluntary separation incentive program. Mr. Miller chimed in and indicated s that we are currently looking at the actual cuts from the state and the proposed cuts from the state. So far all that has been accomplished are some restrictions placed on hiring. But once again, no criteria has been established in determining what will be offered in relationship to the VSIP. Mr. White asked if a Plan participant could rescind an approved retirement in order to become eligible for the VSIP. Mr. Miller indicates that after the board of trustees approve a retirement it may be more difficult. More to come on this topic.

ADJOURNMENT

There being no further business, a request for a motion to adjourn was requested by Mrs. White. Mrs. Lewis provided the motion and that motion was seconded by Mrs. Robinson to adjourn the meeting. The motion carried and the meeting was adjourned at 10:30 a.m. The next meeting of the quarterly NCERP Committee will take place on Wednesday, May 10, 2017 at 9:15 a.m., at the Forest Park Campus.

Chairman

Date

Administrator

Date