

## NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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### ANNUAL STATE STREET BANK AND TRUST COMPANY'S FINANCIAL REPORT

Mrs. Christina Carpenter opened the NCERP quarterly committee meeting, August 14, 2013, with her annual presentation, stating that State Street has increased expansion into international markets; now State Street has offices in Europe, Asia, North America, Canada, France New Zealand, and Hong Kong. This is beneficial for disaster preparedness because when one system goes down in one location due to disaster, then a back-up system from another international location can be implemented to decrease system down time. The emphasis specifically is to ensure the Plan's investments are safe with State Street, and has passed various stress tests ahead of its peers. Carpenter affirmed that asset protection is very essential to State Street. She indicated that State Street total

assets under management is in access of \$2.2 trillion, with approximately \$354 billion in ETF assets under management, \$2.6 trillion in average lendable assets for Q1 2013, and \$25.4 trillion in assets under custody and administration.

Carpenter completed her presentation by informing the committee that the market value of the NCERP retirement fund has increased by 7.25 percent during the period of June 30, 2012 through June 30, 2013. She outlined in detail that market value for the Plan on June 30, 2012, was \$62,684,612.20, and the market value of the Plan as of June 30, 2013 is \$66,700,421.47, a 7.25 percent increase. She insisted the Plan is in great shape from a trust standpoint, with significant gains from the previous year.

### INVESTMENT REPORT: COLUMBIA MANAGEMENT'S INVESTMENT PRESENTATION AS OF JUNE 30, 2013

Mr. Wilkinson, Senior Institutional Relationship Manager, began his presentation at the NCERP quarterly committee meeting by stating that the economy is steadily plugging along. The Gross Domestic Product (GDP) is at 1.8 percent for the quarter, with a decrease in current employment rate currently to about 7.4 percent. The Federal Reserve Bank has kept interests rates relatively low, however, the market-backed bond rate has increased slightly. The current Federal Reserve Chairman is being replaced, which may impact interest rates, as they may not continue to stay as low as they have in the past. No one is able to make predictions until the new Federal Reserve

## INVESTMENT REPORT: (CONT'D FROM PAGE 1)

Chairman is confirmed. Housing markets are slowly increasing with real estate values on the rise; they have done so relatively slow but stable. We look at petroleum prices and they are down now, but have been higher, resulting in more discretionary income spending. The foreign markets have slipped some with only minimal losses.

Wilkinson further advised the committee, as he has previously stated many times before, the NCERP Plan's portfolio is well diversified and that has been the key to much of this Plan's success. Beginning market value for the quarter on April 1, 2013, was \$66,860,706, minus net contributions/withdrawals: \$976,654, income earned was \$461,667, change and in market value was \$346,479, ending market value as of June 30, 2013 is \$66,692,218, with the return for the quarter of 1.21 percent, year-to-date 6.84 percent, one year 11.89 percent, 3 year 12.46 percent, 5 year 6.46, 10 year 7.55, and since inception returns have been 9.17 percent.

Also, Wilkinson had one more comment that required the NCERP committee's attention as he informed them that the closure of the CMPF International Value Fund has occurred due to fund inactivity. A suitable replacement is the Columbia Acorn International Select Fund. Wilkinson promised to provide the fund prospectus for review. The change from CMPF International Value Fund to Columbia Acorn International Select Fund is coming in the near future.

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

Mr. Hayden reported to the NCERP quarterly committee meeting that five new participants were added to the Plan and 11 participants terminated during the period of April 1, 2013 – June 30, 2013. Those terminated participants who requested return of their contributions and interest totaled \$60,222.59.

Also during the same period, six NCERP Plan participants chose to retire. Two chose the Annuity Payments for life option at age 70.5 years, both currently employed, and four chose the Lump Sum Payments totaling \$421,072.43.

Mr. Hayden has also reported the loss of Mrs. Bonnie McIntyre, who passed during this quarter, who was receiving monthly annuity benefit payments, and previously worked at the Meramec campus.

## RECOMMENDATION FOR RETIREE'S COST-OF-LIVING (COLA) INCREASE

The Plan's actuary, Don Schisler, of Towers Watson has recently shared with the NCERP committee via email, the results of him checking with the United States Department of Labor Consumer Price Index (CPI-U) data from June 2012 to June 2013, resulting in a CPI-U increase of 1.8 percent.

Under NCERP policy the committee may recommend a cost-of-living adjustment (COLA) to the Board of Trustees (BOT) for retirees if the CPI-U increases are less than 4 percent for the year. The NCERP committee has voted to recommend a 1.8 percent COLA increase for all eligible retirees. However, there will be additional discussion about this topic at the next committee meeting before a formal recommendation is made to the Board of Trustees. There wasn't a COLA increase for January 1, 2010; COLA increase of 1.1 percent for January 1, 2011; a COLA increase of 3.6 for January 2012; COLA increase of 1.7 percent for January 1, 2013.

## NCERP'S ACCOUNTING SYSTEM: NCERP'S OPERATIONAL BUDGET –

The fiscal year budget report as of June 30, 2013, includes the following:

- Total budget for FY 2013: \$395,722.00.
- Total invoices paid at through the end of quarter is; \$369,706.88.
- Balance of budget as of June 30, 2013, after all bills paid: \$26,015.32.

NCERP completed the fiscal year 2012-2013 under the proposed budget.

## NCERP MEETING SCHEDULE

The quarterly NCERP Committee meetings now are being rotated from various campus locations. The tentative schedule is as follows:

- November 13, 2013, Meramec, 9:15 a.m.
- February 12, 2014, Cosand Center, 9:15 a.m.
- May 14, 2014, Harrison Education Center, 9:15 a.m.
- August 13, 2014, Forest Park, 9:15 a.m.

## BENEFICIARY ACCURACY

Make sure beneficiary information on file for NCERP retirement contributions is accurate. Failure to do so could result in retirement contributions being paid to the employee's estate versus having the contributions going to loved ones. If there are questions or concerns, contact **James Hayden**, plan coordinator, at **ext. 5217**.

## RETIREMENT INTERVIEW SCHEDULE

If employees would like an estimate of their retirement benefits, attend any of the campus visits made by **James Hayden**, plan coordinator, **ext. 5217**. Please call at least one week before the scheduled visit to ensure the retirement assessment is complete. Every participant is encouraged to contact Hayden at any time to obtain a retirement benefit assessment.

### NCERP Coordinator's Proposed Schedule of Campus Visits

<b>Date:</b>	<b>Location:</b>	<b>Time:</b>
October 3, 2013	Forest Park	Noon
October 10, 2013	Florissant Valley	2 p.m.
October 17, 2013	Meramec	2 p.m.
November 7, 2013	Forest Park	Noon
November 14, 2013	Florissant Valley	2 p.m.
November 21, 2013	Meramec	2 p.m.
December 5, 2013	Forest Park	Noon
December 12, 2013	Florissant Valley	2 p.m.
December 19, 2013	Meramec	2 p.m.
January 2, 2014	Forest Park	Noon
January 9, 2014	Florissant Valley	2 p.m.
January 16, 2014	Meramec	2 p.m.
January 23, 2014	Cosand Center	2 p.m.
February 6, 2014	Forest Park	Noon
February 13, 2014	Florissant Valley	2 p.m.
February 20, 2014	Meramec	2 p.m.
March 6, 2014	Forest Park	Noon
March 13, 2014	Florissant Valley	2 p.m.
March 20, 2014	Meramec	2 p.m.
March 28, 2014	Cosand Center	2 p.m.
April 3, 2014	Forest Park	Noon
April 10, 2014	Florissant Valley	2 p.m.
April 17, 2014	Meramec	2 p.m.
May 1, 2014	Forest Park	Noon
May 8, 2014	Florissant Valley	2 p.m.
May 15, 2014	Meramec	2 p.m.
May 22, 2014	Cosand Center	2 p.m.
June 5, 2014	Forest Park	Noon
June 12, 2014	Florissant Valley	2 p.m.
June 19, 2014	Meramec	2 p.m.

#### Locations are:

**Florissant Valley**, Training Center, TC-109;

**Forest Park**, VP Academic Affairs' Conference Room;

**Meramec**, BA-106;

**Cosand Center**, Room 208.

## ANNUAL ELECTION OF NCERP

### CHAIR AND VICE CHAIR

Congratulations are in order for Mr. Kevin White who has been elected to serve the NCERP as the chairperson for the upcoming year and Mrs. Ruth Lewis has also been elected to serve as the NCERP vice chairperson. These elections were conducted at the recent NCERP quarterly committee meeting held August 14, 2013.

**NCERP is a Defined Benefit Plan:**

Recent stock market volatility has many of us thinking about the safety of our retirement savings. The good news is you needn't worry about your future NCERP retirement benefit. Your retirement benefit is safe, in large because NCERP is what is known as a Defined Benefit Plan. In a Defined Benefit Plan or DB Plan, your benefit at retirement is not at risk, even when investment returns are down.

**Formula for a Lifetime:**

Your benefit amount is determined by a preset formula. The formula takes into account your years of service credit at retirement, and your final average monthly salary.

You and your employer, St. Louis Community College, make contributions to the Retirement Plan, paid directly to the Plan's trust agency, State Street Corporation, Specialized Trust Service. These funds are invested by professionals, Columbia Management, and used to pay retirement and survivor benefits to NCERP retirees. Your account balance (the contributions you have paid and the interest earned) has no impact on your benefit amount. The monthly benefit amount is guaranteed for our lifetime so you cannot outlive your retirement benefits.

**How a Defined Contribution Plan Differs:**

Consider this in contrast to the Defined Contribution or DC Plans offered by many employers (examples include 457, 401(k), 403(b) accounts). In this type of plan, retirement benefits are determined by the amount in your personal retirement account at the time of retirement. Typically, both you and your employer contribute to the personal account while you are working, but you have responsibility for determining how the funds will be invested. Lack of investment expertise, along with volatile markets, can lead to situations in which you may outlive your retirement funds or have to delay your retirement for a few more years while rebuilding your assets.

**NCERP membership has its benefits:**

- Predictable, guaranteed benefits for life.
- Disability survivor and death benefits.
- Early retirement, Lump and Partial Lump Sum Options for all participants.
- Professionally invested – you don't have to try to do it yourself.

**YOUR NCERP****REPRESENTATIVES:**

**Board of Trustees Appointment**  
**Calla White**  
 6688 Chesapeake Drive, Apt. C  
 Florissant, MO 63033  
 Phone: 314-355-9112  
 Term expires: BOT's pleasure

**Board of Trustees Appointment**  
**Ruth Lewis - Vice Chair**  
 10455 Litzinger Road  
 St. Louis, MO 63131  
 Telephone: 314-567-7098  
 Term Expires: BOT's pleasure

**Non-Unit Representative**  
**Vicki Lucido**  
**FV - VP Academic Affairs office**  
 Telephone: 314-513-4214  
 e-mail: vlucido@stlcc.edu  
 Term expires: June 30, 2014

**Unit Representative**  
**Kevin White - Chair**  
**FP - Media Services**  
 Phone: 314-644-9213  
 E-mail: kwhite@stlcc.edu  
 Term expires: June 30, 2016

**Physical Plant**  
**Mike Wibbenmeyer**  
**MC - Utilities/HVAC**  
 Phone: 314-984-7749  
 E-mail: mwibbenmeyer@stlcc.edu  
 Term expires: Oct. 30, 2013

Any suggestions for improvements, questions, comments or other concerns about the retirement plan may be directed to any of the NCERP Committee representatives. Any proposed agenda items may be sent to **James Hayden** or the employee representative 10 days prior to the meeting date.

100347 9/2013

**NON-DISCRIMINATION STATEMENT**

St. Louis Community College is committed to non-discrimination and equal opportunities in its admissions, educational programs, activities and employment regardless of race, color, creed, religion, sex, sexual orientation, national origin, ancestry, age, disability, genetic information or status as a disabled or Vietnam-era veteran and shall take action necessary to ensure non-discrimination.

For information or concerns relating to discrimination matters, contact the following: for matters relating to disabilities, contact Section 504/Title II Coordinator Donna Dare at 314-539-5285; for matters relating to sex discrimination, contact Title IX Coordinator Pam McIntyre at 314-984-7763.