

NCERP

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N E W S L E T T E R

Volume 72

NON-CERTIFICATED EMPLOYEES RETIREMENT PLAN

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Individuals with speech or hearing impairments may call via Relay Missouri by dialing 711.

Annual State Street Bank and Trust Company's Financial Report

Chris Auer, vice president for State Street Bank and Trust, provided the Annual State Street Bank and Trust Financial Report via a teleconference on Aug. 9. It has no retail market, no credit card or mortgage loan services offered in contrast with many other banks. Its primary focus is institutional investing.

He reported that the plan's investment portfolio has not changed much since last year, and its value has increased nearly \$5 million. The plan's net asset value last year as of June 30, 2016, was \$71,831,137.53. Its present value as of June 30, 2017, is \$75,761,436.70. The annual earnings were identified as \$3,930,299.17, as of June 30, 2017, a 5.19% increase.

Contributions were down from June 30, 2016, by 1.27%. Contributions as of June 30, 2016, were \$1,593,387.80. Contributions as of June 30, 2017, were \$1,573,172.30. The plan's gross earnings as of June 30, 2016, were \$2,365,852.62. Gross earnings as of June 30, 2017, were 2,017,811.59, a 14.71% decrease. The pension disbursements for 2016 were -\$5,648,995.81; in 2017, pension disbursement were -\$5,556,157.35, for a decrease of 1.64%.

Administrative expenses did increase for 2017. As of June 30, 2016, the expenses were \$371,648.94, and as of June 30, 2017, the total expenses were \$378,276.99, or a 1.78% increase. The 2016 net realized/unrealized gain was -\$1,240,772.98, and in 2017 it was \$6,277,839.62, for a 605.96% increase.

Investors' Report at end of Quarter June 30, 2017

Columbia Threadneedle's Investment Presentation as of June 30, 2017

Jim Wilkinson, senior portfolio manager at Columbia Threadneedle, noted that the rising tension between the United States and North Korea has negatively impacted the market in Europe, Asia and the United States.

Corporate markets rates are up, banks are supporting the markets with liquidity, and investors have been taking advantage as market prices are driven up. The GDP at the end of the quarter was at 2.6%. The unemployment rate has steadily improved to 4.4%, and now are at a historical low of 4.3%. Industrial production continues, and manufacturing remains fairly strong. In June 2017, the Federal Reserve raised interest rates by .25%, the fourth increase since December 2015, at a full 1% increase. Interest rates are rising slowly, and speculators seem to think the Fed will raise it again in December 2017. Corporate balance sheets are in pretty good condition. The S&P grew about 3.09% for the quarter, and 17.9% over the year. Wilkinson noted that this is a very slow, but positive growth rate.

The plan began the quarter at \$73,935,883 (April 1, 2017), and grew to \$75,765,798 at the end of the quarter on June 30, 2017. The net contributions/withdrawals were (\$359,174), income earned was \$540,520, and the change in market value was \$1,648,569, totaling \$75,765,798; that was a slight increase of \$1,529,915, a 2.98 per cent increase for the quarter.

In the appendix, Wilkinson discussed the dates and identified asset classes, and their prices. He said that picking an asset class to stick with is difficult. Diversification across all asset classes has proven to be the best methodology for this plan, as it makes positive gains for the quarter.

Wilkinson noted that the S&P grew about 3.09%; the total growth for the plan for the quarter was up 2.98%. For the year to date, the plan is up 12%. The three-year gain is over 6%, and the portfolio diversification has been one of the key elements of the plan's success.

Report on New Participants/Retiree/Return of Contributions/Deceased Retirees

The reporting period of April 1, 2017, through June 30, 2017, there were 17 new participants added to the plan and six participants were terminated. Those terminated participants who have requested return of their contributions and interest totaled \$44,841.89.

During the same period, three plan participants chose to retire. Two chose the Annuity Payments for Life option, and no one chose the Lump Sum Payment option. One participant choose the 50% lump sum/50 percent annuity option.

Retiree Mary Lou Gogel, who previously worked at the Florissant Valley campus, passed away on June 14, 2017.

Annual Election of NCERP Chair and Vice Chair

Keisha Robinson was elected chair of the NCERP Committee for the upcoming year and Mark Foxx was elected vice chair. These elections were conducted August 9, 2017.

Recommendation for Retiree' Cost-of-Living (COLA) Increase

COLA Increase – January 1, 2018

A retiree COLA increase letter, dated Aug. 2, 2017, from plan's actuary Willis Towers Watson, has been received. The COLA letter indicates the U.S. Department of Labor Consumer Index (CPI-U) calculated for the previous year the CPI-U changed from June 2016-June 2017 increased by one 1.6%. This would be the suggested amount of the Cost of Living Increase (COLA) increase for retirees beginning Jan. 1, 2018.

NCERP Committee members will have a special meeting in October 2017 to discuss and determine the recommended amount of the COLA increase for all eligible NCERP retirees, to be submitted for approval at the Board of Trustees meeting Nov. 30.

Latest VSIP Information

At the NCERP quarterly meeting, James Hayden reported that there were 52 participants who retired from the plan on Aug. 1, 2017, with lump sum payments totaling slightly more than \$8 million. Plan actuaries Willis Towers Watson issued a report indicating the impact of the plan after all participants retired on Aug. 1, 2017. The accumulated benefit security percentage was reported to be 122.8% on June 30, 2017, and after calculating the losses of participants on Aug. 1, 2017 its valuation dropped to 119.2%. There will be another valuation report provided after the losses of the 27 participants who are departing under the VSIP on Jan. 1, 2018.

NCERP Coordinator's Proposed Schedule of Campus Visits

DATE	LOCATION	TIME
2017		
October 26	Cosand Center	2 p.m.
November 2	Forest Park	Noon
November 9	Florissant Valley	2 p.m.
November 16	Meramec	2 p.m.
December 7	Forest Park	Noon
December 14	Florissant Valley	2 p.m.
December 21	Meramec	2 p.m.
2018		
January 4	Forest Park	Noon
January 11	Florissant Valley	2 p.m.
January 18	Meramec	2 p.m.
February 1	Forest Park	Noon
February 8	Florissant Valley	2 p.m.
February 15	Meramec	2 p.m.
February 22	Cosand Center	5 p.m.
March 1	Forest Park	Noon
March 8	Florissant Valley	2 p.m.
March 15	Meramec	2 p.m.
April 5	Forest Park	Noon
April 12	Florissant Valley	2 p.m.
April 19	Meramec	2 p.m.
April 26	Cosand Center	2 p.m.
May 3	Forest Park	Noon
May 10	Florissant Valley	2 p.m.
May 17	Meramec	2 p.m.
June 7	Forest Park	Noon
June 14	Florissant Valley	2 p.m.
June 21	Meramec	2 p.m.
June 28	Cosand Center	2 p.m.

LOCATIONS:

- Meramec, BA-106
- Florissant Valley, Training Center, TC-109
- Forest Park, SC-117
- Cosand Center, Room 208

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.*

NCERP's Accounting System

The fiscal year budget report as of June 30, 2017, includes the following:

- Total budget for FY15 -- \$428,530.00
- Total invoices paid through the end of quarter -- \$386,827.14
- Balance of budget as of June 30, 2017, after all bills paid -- \$41,702.86

The plan has completed the 2016-17 fiscal year under its projected budget.

Retirement Interview Schedule

NCERP participants who would like an estimate of their retirement benefits are encouraged to attend any of the campus visits made by James Hayden. Call him at ext. 5217 at least one week before the scheduled visit to ensure the retirement assessment is complete. Every eligible participant is encouraged to contact Hayden at any time to obtain a retirement benefit assessment.

Beneficiary Accuracy

Make sure your 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 directly to loved ones. If there are questions or concerns, contact James Hayden at ext. 5217.

Unofficial

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, largely because NCERP is a Defined Benefit (DB) Plan. In a DB Plan, your benefit at retirement is not at risk, even when investment returns are down.

A 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 Threadneedle, and are 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 your lifetime, so you cannot outlive your retirement benefits.

How a Defined Contribution Plan Differs

Consider this in contrast to the Defined Contribution (DC) Plans, which are offered by many employers in the form of 457, 401(k) or 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

NCERP MEETING SCHEDULE

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

November 8, 2017

Florissant Valley, 9:15 a.m.

February 14, 2018

Cosand Center, 9:15 a.m.

May 9, 2018

Forest Park Campus, 9:15 a.m.

August 8, 2018

Meramec Campus, 9:15 a.m.

YOUR NCERP REPRESENTATIVES:

Non-Unit Representative

Keisha Robinson, Chair

FP-Provost Office

Phone: 314-539-5756

E-mail: krobinson229@stlcc.edu

Term expires: June 30, 2020

Physical Plant Representative

Mark Foxx, Vice Chair

MC-Utilities/HVAC

Phone: 314-984-7749

E-mail: mfoxx@stlcc.edu

Term expires: Oct. 30, 2019

Unit Representative

Kevin White

FP-Media Services

Phone: 314-644-9213

E-mail: kwhite@stlcc.edu

Term expires: June 30, 2019

Board of Trustees Appointee

Ruth Lewis

10455 Litzinger Road

St. Louis, MO 63131

Phone: 314-567-7098

Term Expires: Determined by BOT

Board of Trustees Appointee

Calla White

6688 Chesapeake Drive, Apt. C

Florissant, MO 63033

Phone: 314-355-9112

Term expires: Determined by BOT

situations where you may outlive your retirement funds or have to delay your retirement for a few more years while rebuilding your assets.

NCERP membership has these benefits:

- Predictable, guaranteed benefits for life
- Disability survivor and death benefits
- Early retirement, lump and partial lump sum options for all participants
- Professionally invested so you don't have to try to do it yourself.

If you have any questions concerning your NCERP retirement, contact James Hayden at ext. 5217.

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NEWSLETTER