

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**

MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING

April 18, 2011

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The April meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at 4:40 p.m., Monday, April 18, 2011. The meeting was conducted in the 2nd floor boardroom of the PSRSSTL office building located at 3641 Olive Street, St. Louis, Missouri. Helen Lynch, Chairperson of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees William Bury, Joseph Clark, Katie Lamb, Mona Lawton, Helen Lynch and Stephen Warmack were present. The Board of Trustees had a quorum at the meeting. Trustees Christina Bennett, Sheila Goodwin, Thaha Menkara, Sarah Sise and Rick Sullivan were absent.

Executive Director, Andrew Clark, Accounting Specialist, Terry Mayes, PSRSSTL Attorney Representative, Jay Kimmey, PSRSSTL Actuary, Steve Siepman, PSRSSTL Auditor, Thomas Helm, PSRSSTL Auditor Representative, Brenda Shepherd, PSRSSTL Investment Consultant Representative, Kristin Finney-Cooke, and a couple of interested parties were also in attendance.

II. APPROVAL OF MINUTES FROM LAST MEETING

Bill Bury made a motion, seconded by Katie Lamb, to approve the minutes of the Board of Trustees Regular Meeting of February 28, 2011.

By voice vote, motion carried.

Steve Warmack made a motion, seconded by Katie Lamb, to approve the minutes of the Special Board of Trustees Meeting of February 17, 2011.

By voice vote, motion carried.

III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

IV. PRESENTATIONS BY INTERESTED PARTIES

None

V. CONSENT AGENDA

Katie Lamb made a motion, seconded by Steve Warmack, to approve the Retirements and Benefits of February and March 2011.

By voice vote, motion carried.

Steve Warmack made a motion, seconded by Bill Bury, to approve the Refunds and Bills of February and March 2011.

By voice vote, motion carried.

VI. UNFINISHED BUSINESS

None

VII. REPORT OF THE CHAIRPERSON

The Chairperson made several positive comments on the financial well-being of the fund.

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director introduced the Auditor, Thomas Helm, of Huber, Ring, Helm & Co., to present the retirement system's most current audited financial statements. The Auditor introduced another representative from his firm, Brenda Shepherd. The Auditor and Ms. Shepherd presented the audited financial statements for December 31, 2010 and December 31, 2009, by reviewing and highlighting important information in the pages of the Financial Statements report distributed at the meeting. The Auditor and Ms. Shepherd also discussed several audit findings with the Trustees. The Trustees were informed of the new report format, Comprehensive Annual Financial Report (CAFR), that the Executive Director and the Auditor will be working on for the 2010 Annual Report made to the State of Missouri, Trustees and membership. The Auditor concluded by thanking staff for a smooth and efficient audit process. The Trustees thanked the Auditor and staff for a good report.

The Executive Director reported on the retirement system's fiduciary liability and crime insurance renewals through Arthur J. Gallagher Risk Management Services, Inc. from a Memorandum to the Board of Trustees. The Executive Director recommended that the Board of Trustees accept the renewals as presented.

Steve Warmack made a motion, seconded by Katie Lamb, to accept the renewals of the fiduciary liability and crime insurance with Travelers as presented by the Executive Director. There was discussion on the need for a roll call vote.

A roll call vote was taken.

William Bury	Yes	Joseph Clark	Yes	Katie Lamb	Yes
Mona Lawton	Yes	Helen Lynch	Yes	Stephen Warmack	Yes

With six yes votes, motion carried.

The Executive Director made a request for reimbursement of travel expenses for travel to this year's NEPC Client Conference in lieu of the NCTR Director's Meeting.

Joe Clark made a motion, seconded by Steve Warmack, to accept the request for reimbursement of travel expenses for the Trustees and Executive Director for this year's NEPC Client Conference. The Trustees expressed their understanding that the Executive Director would not be attending this year's NCTR Directors Meeting.

A roll call vote was taken.

William Bury	Yes	Joseph Clark	Yes	Katie Lamb	Yes
Mona Lawton	Yes	Helen Lynch	Yes	Stephen Warmack	Yes

With six yes votes, motion carried.

The Executive Director informed the Trustees about the construction of the new Public Radio/UMSL building in the next door parking lot and that the Trustees, members and guests will be reimbursed for parking in the garage directly across the street. The Trustees requested staff to post a notice to the membership on the website and in the newsletter.

IX. REPORT OF THE INVESTMENT CONSULTANT

The Investment Consultant Representative made a brief report on the status of the hedge fund manager search and decision from the last Investment Committee Meeting, the agenda for the next meeting and the benefits of attending the NEPC Client Conference.

Joe Clark, Chair of the Investment Committee, informed the Trustees that the hedge fund recommendation from the Committee would be addressed in the Reports of Committees.

X. REPORT OF THE ACTUARY

The Actuary informed the Board of Trustees that the 2011 Actuarial Valuation Report will be presented at the regular June meeting.

XI. REPORTS OF COMMITTEES OF THE BOARD OF TRUSTEES

The Chairperson asked for reports from the Chairs of the various committees of the Board of Trustees.

Benefits Committee

None

Trustee Business Committee

None

Investment Committee

Joe Clark, Chair of the Investment Committee, made a motion, seconded by Katie Lamb, to accept the Investment Committee's recommendation to terminate K-2 Advisors and hire EnTrust Capital and Permal Group as hedge fund money managers. There was discussion about the motion until Katie Lamb retracted her second.

Joe Clark, Chair of the Investment Committee, made a re-statement of the motion, seconded by Katie Lamb, to terminate K-2 Advisors, hire both EnTrust Capital and Permal Group as fund of hedge funds money managers, and split the current hedge fund asset allocation between the two firms.

A roll call vote was taken.

William Bury	Yes	Joseph Clark	Yes	Katie Lamb	Yes
Mona Lawton	Yes	Helen Lynch	Yes	Stephen Warmack	Yes

With six yes votes, motion carried.

Legislative, Rules & Regulations Committee

None

Professional Contracts Committee

None

XII. NEW BUSINESS

None

XIII. REPORT OF THE ATTORNEY

The Attorney Representative provided the Trustees with an update on the legal review of the private equity investment with Strategic Value Partners (SVP). The Trustees referred the legal review of SVP to the Investment Committee. The Executive Director will revise the Investment Committee Meeting Notice for April 21, 2011, to include the legal review of SVP.

XIV. ADJOURNMENT

Joe Clark made a motion, seconded by Steve Warmack, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 5:55 p.m.

Attachments:

Retirements, Refunds & Bills Paid February and March 2011
December 31, 2010 and 2009 Financial Statements
Memo to the Board of Trustees from the Executive Director, April 18, 2011