

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

**MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING**

**June 20, 2011**

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**I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM**

The June meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at 4:30 p.m., Monday, June 20, 2011. The meeting was conducted in the 2<sup>nd</sup> 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 Christina Bennett, Joseph Clark, Mona Lawton, Helen Lynch, Sarah Sise and Stephen Warmack were present. The Board of Trustees had a quorum at the meeting. Trustees Sheila Goodwin, Katie Lamb and Thaha Menkara joined the meeting in progress. Trustees Bill Bury and Rick Sullivan were absent.

Executive Director, Andrew Clark, Accounting Specialist, Terry Mayes, PSRSSTL Attorney, Jeff Hartnett, PSRSSTL Actuary, Steve Siepman, Buck Consultants Representative, Mike Mills, and a number of interested parties were also in attendance. PSRSSTL Investment Consultant Representative, Kristin Finney-Cooke, joined the meeting in progress by telephone conference.

**II. APPROVAL OF MINUTES FROM LAST MEETING**

Steve Warmack made a motion, seconded by Christina Bennett, to approve the minutes of the Board of Trustees Regular Meeting of April 18, 2011.

By voice vote, motion carried.

**III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES**

There were none; however, the Chairperson acknowledged that the Presentations by Interested Parties began before the agenda item was officially introduced.

**IV. PRESENTATIONS BY INTERESTED PARTIES**

Retirees Erma Nevels and Pat Laughlin both expressed concern over the lack of a COLA and/or the retiree insurance subsidy. Retiree Karen Franz-Cohen asked about the Board's stance on retiree advocacy.

**V. CONSENT AGENDA**

Christina Bennett made a motion, seconded by Steve Warmack, to approve the Retirements and Benefits of April and May 2011.

By voice vote, motion carried.

Christina Bennett made a motion, seconded by Mona Lawton, to approve the Refunds and Bills of April and May 2011.

By voice vote, motion carried.

## **VI. UNFINISHED BUSINESS**

None

## **VII. REPORT OF THE CHAIRPERSON**

The Chairperson reported on the National Association of Securities Professionals (NASP) Annual Conference recently attended by a number of Trustees. The Chairperson also reported on visits made during the trip to two of the Retirement System's money managers along with Trustee Christina Bennett. Christina Bennett and Helen Lynch visited international equities manager Causeway Capital, and Helen Lynch visited all assets fund manager PIMCO. The Chairperson concluded the report by making several positive comments on the financial well-being of the Fund.

## **VIII. REPORT OF THE EXECUTIVE DIRECTOR**

The Executive Director reported on the status of the 2010 Annual Report, and that the Retirement System received 40 retirement applications from members expected to retire on July 1, 2010. The Executive Director reported that Trustees Christina Bennett, Joe Clark, Mona Lawton, Helen Lynch and Thaha Menkara attended the recent annual NASP convention, and that Joe Clark and he attended the NEPC Client Conference in May.

## **IX. REPORT OF THE INVESTMENT CONSULTANT**

The Investment Consultant Representative made a report to the Board of Trustees by telephone conference. The report included summaries on current conditions in the financial markets, recent fund performance, investment items to be covered in future Investment Committee meetings and mention of a few of the Retirement System's newest money managers.

## **X. REPORT OF THE ACTUARY**

The Actuary and the Buck Consultants Representative presented the annual Actuarial Valuation Report as of January 1, 2011, by reviewing a discussion document projected onto a screen for the audience. The Actuary explained the two main purposes of the report as the disclosure of the actuarial condition of the Fund and the determination of the required annual employer contributions from the Board of Education, the Retirement System, and the Charter Schools.

The Actuary touched on the methodology used in preparing the report, the Fund's member census data and the impact of workforce reductions on the retirement system's actuarial valuation. The Actuary concluded the report by summarizing upcoming actuarial events for the retirement system. The Actuary will present the Fund's five-year experience study later in the year, and several proposed GASB changes could affect the Retirement System's actuarial assumptions and reporting methods in the future.

## **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; however, a meeting may be scheduled later in the summer to review retirement benefits.

**Trustee Business Committee**

None

**Investment Committee**

Joe Clark, Chair of the Investment Committee, summarized the meeting of April 21, 2011, by referring the Board of Trustees to the minutes.

The Chair continued by summarizing the minutes from the Investment Committee meeting of May 26, 2011. The Chair informed the Trustees that the committee had a recommendation for consideration by the full Board.

Sarah Sise made a motion, seconded by Steve Warmack, to accept the Investment Committee's recommendation to hire Wellington Management Company as a real assets money manager and invest \$25 million in the Diversified Inflation Hedges fund.

A roll call vote was taken.

Christina Bennett	Yes	Joseph Clark	Yes	Sheila Goodwin	Yes
Katie Lamb	Yes	Mona Lawton	Yes	Helen Lynch	Yes
Thaha Menkara	Yes	Sarah Sise	Yes	Stephen Warmack	Yes

With nine yes votes, motion carried.

The Chair informed the Trustees that the next Investment Committee meeting would be in August where a full review of the retirement system's investment portfolio would be made by the Investment Consultant. The Chair encouraged the Trustees and the audience to attend the review.

**Legislative, Rules & Regulations Committee**

Christina Bennett, Chair of the Legislative, Rules & Regulations Committee, informed the Trustees that a meeting would be scheduled later in the summer.

**Professional Contracts Committee**

None

**XII. NEW BUSINESS**

Trustee Joe Clark and the Attorney discussed the statutes that govern increases in benefits, such as COLA's, for retirees. The Attorney made it clear that there are certain steps, such as an Actuarial Study, that would need to be taken before the Board of Trustees could propose an increase in benefits of any kind. The Chairperson deferred the discussion to the Benefits and Legislative, Rules & Regulations Committees.

**XIII. REPORT OF THE ATTORNEY**

None

#### **XIV. ADJOURNMENT**

The Chairperson reminded the Trustees that the January 1, 2011, Actuarial Report presented by the Actuary earlier in the meeting needed to be accepted by the full Board.

Christina Bennett made a motion, seconded by Sheila Goodwin, to accept the January 1, 2011 Actuarial Valuation Report as presented by the Actuary.

By voice vote, motion carried.

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

By voice vote, motion carried and the meeting adjourned at 5:50 p.m.

Attachments:

- Interested Parties' letters, questions & responses
- Retirements, Refunds & Bills Paid April and May 2011
- Actuarial Valuation Report for January 1, 2011 & Presentation Document