

**PUBLIC SCHOOL RETIREMENT SYSTEM  
OF THE CITY OF ST. LOUIS**  
**MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING**  
**February 27, 2017**

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

The February 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, February 27, 2017. The meeting was held in the 2<sup>nd</sup> floor boardroom of the PSRSSTL office building located at 3641 Olive Street, St. Louis, Missouri. Joseph Clark, Chairman of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees Christina Bennett, Paula Bentley, Joseph Clark, Darnetta Clinkscale, Sheila Goodwin, Bobbie Richardson and Eural Thomas were present. The Board of Trustees had a quorum at the meeting. Trustees Yvette Levy, John Moten, Charles Shelton and Rick Sullivan joined the meeting in progress.

Executive Director, Andrew Clark, Accounting Specialist, Terry Mayes, PSRSSTL Attorney Representative, Jamie Jones, PSRSSTL Actuary, Paul Baugher, and several interested parties were also in attendance.

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

Trustee Paula Bentley questioned the accuracy of the vote tallies on pages 1 & 2 of the minutes from the Board of Trustees Regular Meeting of December 19, 2016. The Executive Director informed the Trustees that the vote tallies will be verified and, if necessary, corrected. The December meeting minutes will again be placed on the agenda for approval at the next regular meeting.

**III. SEATING OF NEW MEMBERS**

The Chairman congratulated Sheila Goodwin upon her re-election as an Active Teacher Trustee. The Chairman then welcomed Bobbie Richardson as a recently elected Active Non-Teacher Trustee and Darnetta Clinkscale as a recently appointed school board Trustee.

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

None

**V. PRESENTATIONS BY INTERESTED PARTIES**

None

**VI. CONSENT AGENDA**

Christina Bennett made a motion, seconded by Sheila Goodwin, to approve the Retirements and Benefits of January and February 2017.

Christina Bennett	Yes	Paula Bentley	Yes	Joseph Clark	Yes
Darnetta Clinkscale	Yes	Sheila Goodwin	Yes	Bobbie Richardson	Yes
Eural Thomas	Yes				

With seven yes votes, motion carried.

Christina Bennett made a motion, seconded by Sheila Goodwin, to approve the Refunds and Bills of December 2016 and January 2017.

Christina Bennett	Yes	Paula Bentley	Yes	Joseph Clark	Yes
Darnetta Clinkscale	Yes	Sheila Goodwin	Yes	Bobbie Richardson	Abstain
Eural Thomas	Yes				

With six yes votes and one abstention, motion carried.

## **VII. UNFINISHED BUSINESS**

The Chairman reminded the Trustees that at the last Board of Trustees Regular Meeting, a tie was reached between Yvette Levy and John Moten during the election of the 2017 Vice-Chairperson, and that both Trustees have been serving as Co-Vice-Chairs. The attorney discussed scenarios that could be problematic with two Vice-Chairs and that it would be prudent for the Trustees to hold another election for the position.

Since there were no objections, the floor was opened for nominations of the 2017 Vice-Chairperson of the Board of Trustees. Christina Bennett nominated John Moten and Sheila Goodwin nominated Yvette Levy. The Board of Trustees cast votes by written ballot for Vice Chairperson; the results were five votes for Yvette Levy and four votes for John Moten.

Yvette Levy was elected to serve as the 2017 Vice-Chairperson of the Board of Trustees.

## **VIII. REPORT OF THE CHAIRPERSON**

At first the Chairman announced that Committee Chair assignments would be postponed until the next regular meeting. Several Trustees raised objections so the Chairperson confirmed that the Committees and Chair appointments for 2017 would be the same as in 2016 as follows.

- ◆ Benefits – Charles Shelton
- ◆ Trustee Business – Sheila Goodwin
- ◆ Investment – Joe Clark
- ◆ Legislative, Rules & Regulations – Yvette Levy
- ◆ Professional Contracts – Eural Thomas

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

The Executive Director reported that the retirement system's annual processes, including tax filings and year-end reports for the actuarial valuation report, have been completed and filed with the appropriate tax authorities and the Actuary, respectively. The Executive Director informed the Trustees that the audit of the 2016 financial statements is in-process and that the Auditor will present the audited financial statements at the next regular meeting.

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

None

## XI. REPORT OF THE ACTUARY

The Actuary had no report but did inform the Trustees that Buck Consultants has been sold to Conduent by Xerox. The Actuary stated that no other changes have been made.

## XII. REPORTS OF COMMITTEES OF THE BOARD OF TRUSTEES

The Chairman asked for reports from the Committees.

### Benefits Committee

None

### Trustee Business Committee

None

### Investment Committee

Joe Clark, Chair of the Committee, reported on the meeting of February 17, 2017, by reviewing the meeting minutes presented at the meeting. The Chair informed the Trustees that two recommended action items made by the Investment Committee needed approval.

John Moten made a motion, seconded by Christina Bennett, to approve the Loomis Sayles & Co. Strategic Alpha investment strategy with the modification that the investment will be a co-mingled fund versus a separate account and the understanding that certain system guidelines may be excluded from the investment agreement as recommended by the Investment Committee. There was brief discussion regarding the investment guidelines and the need for the motion.

A roll call vote was taken.

Christina Bennett	Yes	Paula Bentley	No	Joseph Clark	Yes
Darnetta Clinkscale	Yes	Sheila Goodwin	Yes	Yvette Levy	Yes
John Moten	Yes	Bobbie Richardson	Yes	Charles Shelton	Yes
Rick Sullivan	Yes	Eural Thomas	Yes		

With ten yes votes and one no vote, motion carried.

Christina Bennett made a motion, seconded by Sheila Goodwin, to adopt the Optimal Allocation as the fund's Asset Allocation Policy and proposed 2017 Work Plan as recommended by the Investment Committee.

A roll call vote was taken.

Christina Bennett	Yes	Paula Bentley	Yes	Joseph Clark	Yes
Darnetta Clinkscale	Yes	Sheila Goodwin	Yes	Yvette Levy	Yes
John Moten	Yes	Bobbie Richardson	Yes	Charles Shelton	Yes
Rick Sullivan	Yes	Eural Thomas	Yes		

With eleven yes votes, motion carried.

Trustee Christina Bennett asked the Investment Committee Chair to have the Trustees review the Investment & Operating Guidelines, especially regarding co-mingled funds, with the Investment Consultant at a future committee meeting. There was discussion regarding the request and the Committee Chair replied with an okay to the review.

#### **Legislative, Rules & Regulations Committee**

None

#### **Professional Contracts Committee**

Eural Thomas, Chair of the Committee, updated the Trustees on the RFP schedule and announced that a meeting would be scheduled to review the Investment Consultant RFP. The Executive Director informed the Trustees that the RFP has been reviewed by the Attorney and that it's ready for release. There was interest expressed about the review of the RFP so the Executive Director was asked to send a copy of it to the Trustees.

### **XIII. NEW BUSINESS**

Christina Bennett made a first reading of a proposed amendment to Chapter A., Rule VI. Committees, Section 1, as follows:

Section 1<sup>1</sup>. No later than April 1 of each year, the Chairperson of the Board of Trustees shall establish such Committees to serve for the current year for such purposes as the Chairperson deems appropriate; and the Chairperson may dissolve any Committee so appointed with the approval of the Board of Trustees. Each such Committee shall be charged with the duty to meet and recommend action to the Board of Trustees on matters within the scope of the Committee's purpose, but shall have no authority to take action on behalf of the Board of Trustees. If the April 1<sup>st</sup> deadline is not adhered to by the Chairperson of the Board of Trustees, then the Vice Chairperson shall establish such Committees to allow the continuance of business.

<sup>1</sup>Proposed new text is underlined.

A second reading will be made at the next Board of Trustees Regular Meeting.

Christina Bennett presented information on proposed amendments to Appendix A, of the Public School Retirement System of the City of St. Louis' Education, Travel, and Code of Ethics Policies. Ms. Bennett provided her opinion on the necessity of the proposed changes. There was extended discussion and debate by the Trustees regarding the proposals. After the conclusion of Ms. Bennett's presentation on the proposed amendments, the Trustees agreed to refer the matter to the Rules & Regulations Committee for more discussion and debate on possible changes to Appendix A.

**XIV. REPORT OF THE ATTORNEY**

The Attorney reported on several legislative bills that impact the retirement system. There was discussion about a bill prohibiting investments in Russian stocks, bonds and direct holdings, and the sister bills in the house and senate that would change the retirement system's benefit and contribution structures. The retirement system continues to oppose the two sister bills. There was also discussion on a bill that changes several actuarial assumptions for all Missouri retirement systems. The two sister bills and the actuarial assumptions bill require actuarial cost statements to be performed before becoming law which, since the retirement system did not initiate the legislation, need to be performed and paid for by sources from outside the retirement system. The Attorney informed the Trustees that updates on all legislation will be provided as needed.

The Attorney then reported on House Bill No. 305 ("HB 305"). The purpose of the bill is to close the loophole where retired, independent contractors are allowed to work for a retirement system employer and endlessly receive pay while drawing a retirement benefit, otherwise known as double-dipping. The Attorney informed the Trustees that the retirement system has been invited by the bill sponsor to join the Kansas City and Missouri Public School Retirement Systems in the proposed legislation. There was discussion regarding the positive aspects of the bill for the retirement system. The Attorney then asked the Chairman for a motion on HB 305.

John Moten made a motion, seconded by Sheila Goodwin, to authorize legal to advocate for the Public School Retirement system of the City of St. Louis' inclusion in House Bill No. 305 and craft language in conjunction therewith with the Executive Director.

A roll call vote was taken.

Christina Bennett	Yes	Paula Bentley	Yes	Joseph Clark	Yes
Darnetta Clinkscale	Yes	Sheila Goodwin	Yes	Yvette Levy	Yes
John Moten	Yes	Bobbie Richardson	Yes	Charles Shelton	Yes
Rick Sullivan	Yes	Eural Thomas	Yes		

With eleven yes votes, motion carried.

**XV. ADJOURNMENT**

Sheila Goodwin made a motion, seconded by Rick Sullivan, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 6:15 p.m.

Attachments:

- Retirements Paid: January and February 2017
- Refunds & Bills Paid: December 2016 and January 2017
- PSRSSTL Asset Allocation and 2017 Market Themes
- Proposed Changes to Education, Travel, and Code of Ethics Policies

To be Authorized and Approved  
by the Board of Trustees

## APPLICATIONS FOR RETIREMENT

<b>NAME \ POSITION</b>	<b>RETIREMENT DATE</b>	<b>TYPE</b>	<b>CREDITED SERVICE</b>	<b>FINAL AVG SALARY</b>	<b>MONTHLY BENEFIT</b>
Linda Behrens Teacher	12/1/2016	Normal	12.9458	\$22,918.25	\$309.06
Brenda Buggs Clerical Assistant	12/1/2016	Normal	11.0000	\$42,377.96	\$776.93
Cheryl Charboneau Teacher	12/1/2016	Disability	25.8666	\$68,955.25	\$2,972.73
Ronald Mims Head Custodian	12/1/2016	Normal	30.0000	\$53,371.43	\$2,668.57

## APPLICATIONS FOR RETIREMENT

<b>NAME \ POSITION</b>	<b>RETIREMENT DATE</b>	<b>TYPE</b>	<b>CREDITED SERVICE</b>	<b>FINAL AVG SALARY</b>	<b>MONTHLY BENEFIT</b>
Anthony Farrell Teacher	1/1/2017	Normal	26.4333	\$74,613.42	\$3,287.13
Carolyn Fernandez Counselor	1/1/2017	Normal	41.4444	\$87,241.72	\$4,362.08
Terry Hessler Teacher	1/1/2017	Early	15.1333	\$52,796.63	\$1,087.49
Therese Price Teacher	1/1/2017	Early	8.0000	\$49,624.59	\$532.99
Marsha Smith-Atkins Teacher	1/1/2017	Early	5.0833	\$51,353.72	\$369.81
Patricia Wallace Spec Ed Instr Care Aide	1/1/2017	Normal	14.4444	\$28,102.53	\$676.54
Byron Walter Teacher	1/1/2017	Normal	8.4056	\$55,833.90	\$782.20
Ronald Williams Custodian	1/1/2017	Normal	24.8774	\$34,401.03	\$1,426.35
Deirdre Woodard Tech Support	1/1/2017	Early	16.1055	\$80,503.47	\$1,752.71

## Distributions - December, 2016

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/H	NET PAY	A(ctive) R(etired)	D(eath) S(eparation)	NOTES
70978	10/09/15	TURKKAN	AHMET	(2,718.04)	(543.61)	(2,174.43)	A	S	GSA- VOID AND REISSUE
72410	12/02/16	DRY	HAYDEN E	5,988.00		5,988.00	A	S	CA
72411	12/02/16	GULLER	SARA	34,449.07		34,449.07	A	S	PREMIER
72412	12/02/16	JONES	GREGORY	6,205.79	1,241.16	4,964.63	A	S	CA/IACM
72413	12/02/16	HANY	KIMBERLY	1,037.29		1,037.29	A	S	EHL -ELE
72414	12/02/16	FAIRLEY	AMEERAH	563.29	112.66	450.63	A	S	HLSG PRECLARUS
72415	12/02/16	HARRIS PRUITT	TERRI	12,057.37	2,411.47	9,645.90	A	S	CA
72416	12/02/16	RODGERS-EDMONDS	CATHERINE	308.48	61.70	246.78	A	S	LPA
72417	12/02/16	SCHEER	MARK	4,213.39	842.68	3,370.71	A	S	CA
72418	12/02/16	SEPE	ELIZABETH	2,554.39	510.88	2,043.51	A	S	KIPP
72419	12/02/16	HANCOCK	SHERYL	1,456.83	291.37	1,165.46	A	S	LFL
72420	12/02/16	BELL	TANISHA	95.62		95.62	A	S	
72421	12/02/16	CHORLINS	SUZANNE B	2,065.04	413.01	1,652.03	A	S	
72422	12/02/16	DAUNER	KAITLIN	9,890.05		9,890.05	A	S	
72423	12/02/16	GODING	NICHOLAS	5,599.21		5,599.21	A	S	
72424	12/02/16	HAGERTY	LAUREN C	4,959.37		4,959.37	A	S	
72425	12/02/16	HENNINGSEN	ALYSSA	4,701.34		4,701.34	A	S	
72426	12/02/16	HOFFMAN	LYNN	9,742.80		9,742.80	A	S	
72427	12/02/16	MCBRIDE	LINDSEY	3,965.14		3,965.14	A	S	
72428	12/02/16	NUYENS	LISA	34,955.38		34,955.38	A	S	
72429	12/02/16	SPANN	KAREEM	2,468.15	493.63	1,974.52	A	S	
72430	12/02/16	SPRAGGS	LEVOHN	480.75	96.15	384.60	A	S	
72431	12/02/16	WERKMEISTER	CAITLIN	7,179.53		7,179.53	A	S	
72432	12/02/16	MESE	SHANNON	19,955.75	1,995.58	17,960.17	R	D	DEC: C O'SHIELDS 1 of 2 ben
72433	12/02/16	O'SHIELDS	SHAWN	19,955.75	1,995.58	17,960.17	R	D	DEC: C O'SHIELDS 2 of 2 ben
72434	12/02/16	TURKKAN	AHMET	2,718.04	543.61	2,174.43	A	S	GSA- VOID AND REISSUE
072426	12/02/16	HOFFMAN	LYNN	(9,742.80)		(9,742.80)	A	S	VOID AND REISSUE
072466	12/12/16	MYLINARSKI	MELINDA	36,345.41		36,345.41	A	S	SLPS, CA, EHL
072467	12/12/16	DIXON	DEZMIN	4,316.08	863.22	3,452.86	A	S	SCPA
072468	12/12/16	JONES	BRANDIS	9,883.29	1,976.66	7,906.63	A	S	KIPP SLPS
072469	12/12/16	MCAFFEE	JUAN	29,822.21		29,822.21	A	S	CCC CGMCS
072470	12/12/16	MULASALIHVIC	HALID	2,427.62	485.52	1,942.10	A	S	GSA-STL
072471	12/12/16	BENOIST	JENNIFER	2,133.09	426.62	1,706.47	A	S	
072472	12/12/16	BROCK	CARMEN	221.51	44.30	177.21	A	S	
072473	12/12/16	CONWAY	DEBRA	2,806.27		2,806.27	A	S	



## Distributions - December, 2016

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/H	NET PAY	A(ctive) R(etired)	D(eath) S(eparation)	NOTES
072474	12/12/16	DENTON-SMITH	GWENDOLYN	29,828.84	5,965.77	23,863.07	A	S	
072475	12/12/16	DONATT	PAMELA	94.97		94.97	A	S	
072476	12/12/16	HARRIEL	ERIC	2,505.30	501.06	2,004.24	A	S	
072477	12/12/16	PARTEE	NIGEL	432.93	86.59	346.34	A	S	
072478	12/12/16	PRECHARD	STEPHANIE	19,706.33	3,941.27	15,765.06	A	S	
072479	12/12/16	SACKETT	EMILY	2,003.49	400.70	1,602.79	A	S	
072480	12/12/16	STOLTZ	BOBBIE JO	3,826.67	765.33	3,061.34	A	S	
072481	12/12/16	VENABLE	JENNIFER	2,881.25	576.25	2,305.00	A	S	
072482	12/12/16	WHITE	TERRON	7,273.53	1,454.71	5,818.82	A	S	
072483	12/12/16	WICKERSON	SHALONDA	16,255.47	3,251.09	13,004.38	A	S	
072484	12/12/16	HOFFMANN	LYNN	9,742.80		9,742.80	A	S	VOID AND REISSUE
<b>TOTAL</b>				<b>\$ 367,612.04</b>	<b>\$ 31,204.96</b>	<b>\$ 336,407.08</b>			

## Distributions - January, 2017

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/H	NET PAY	A(ctive) R(etired)	D(eath) S(eparation)	NOTES
072524	01/18/17	ASCENCIO	ALEJANDRO	7,846.07		7,846.07	A	S	SLLIS
072525	01/18/17	BAYER	JESSICA	2,011.95		2,011.95	A	S	LPA
072526	01/18/17	BRIDGES	JENICE	1,690.84	338.17	1,352.67	A	S	LFL
072527	01/18/17	DIXON	CHARRON	262.80	52.56	210.24	A	S	GCAA
072528	01/18/17	JORDAN	RYAN	2,663.50		2,663.50	A	S	CLA
072529	01/18/17	LANDSNESS	MARY	7,189.89		7,189.89	A	S	LFL
072530	01/18/17	LASH	JEFF	4,551.92		4,551.92	A	S	SLLIS
072531	01/18/17	LINTVEDT	SUSAN	8,842.05	1,768.41	7,073.64	A	S	LFL
072532	01/18/17	LYNN	PAULINE	2,205.87	441.17	1,764.70	A	S	CA
072533	01/18/17	OVERBY	BENJAMIN	1,646.93	329.39	1,317.54	A	S	GCAA
072534	01/18/17	SCHMUCK	MICHAEL	4,138.00	827.60	3,310.40	A	S	SLLIS
072535	01/18/17	SMITH	MARIETTA	9,900.17		9,900.17	A	S	GSA STL
072536	01/18/17	SMITH	SAMANTHA	677.23	135.45	541.78	A	S	CA
072537	01/18/17	WEBER	KATELYN	2,173.69	434.74	1,738.95	A	S	CA
072538	01/18/17	WILSON	KIMBERLI	798.04	159.61	638.43	A	S	HLSG
072539	01/18/17	COOPER	ALVIN W	988.48	197.70	790.78	A	S	
072540	01/18/17	GEGG	SAMANTHA	10,413.20		10,413.20	A	S	
072542	01/18/17	HENDERSON	DIONNE	12,834.06		12,834.06	A	S	
072543	01/18/17	KUNDE	JENNA	4,576.10	915.22	3,660.88	A	S	
072544	01/18/17	MAHER	KATHLEEN	13,838.35		13,838.35	A	S	
072545	01/18/17	MARTIN	SHEENA	433.15	86.63	346.52	A	S	
072546	01/18/17	SIMMONS	EDDIE	3,003.82	600.76	2,403.06	A	S	
072547	01/18/17	TIBBS	RICHARD	10,489.66		10,489.66	A	S	
072548	01/18/17	WILSON	DELNETA	319.93	63.99	255.94	A	S	
072549	01/18/17	TAYLOR	ROBERT	13,417.67	1,341.77	12,075.90	A	D	Dec: G Lewis
072550	01/18/17	RHEN	JAMAL	13,417.67	1,341.77	12,075.90	A	D	Dec: G Lewis
072551	01/18/17	PUMPHREY	DENITTA	32,380.86	3,167.50	29,213.36	R	D	Dec: D McKenzie
072552	01/18/17	GRAVES	JOSHUA	805.05	161.01	644.04	A	S	
<b>TOTAL</b>				<b>\$ 173,516.95</b>	<b>\$ 12,363.45</b>	<b>\$ 161,153.50</b>			

**Public School Retirement System of the City of St. Louis**  
**Checks Written During the Month of December, 2016**

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
<b>Date Paid December 5, 2016</b>			
Ameren Missouri	72435	Electric Service	1,620.93
AT&T	72436	U-Verse Internet	60.00
Purchase Power	72437	Postage	1,028.55
OffsiteDataSync	72438	Online Backups	208.12
Windstream Communications	72439	Telephone, Data	517.47
MSD	72440	Sewer Service	58.22
Digital Intersection	72441	Monthly Data Center Hosting	150.00
Eazy Business Mailers, Inc.	72442	Postage/Service - Election Notice, Newsletter	6,818.52
BuildingStars STL Operations, Inc.	72443	Janitorial Supplies	361.37
Minuteman Press	72444	Newsletters, Envelopes, Business Cards	1,714.09
Jupiter Consulting Services, LLC	72445	Programming Consulting	8,001.00
Office Essentials	72446	Office Supplies	393.67
Charter Communications	72447	Charter Internet and Voice	179.96
BarnesCare	72448	Cheryl K. Charboneau	100.00
Konika Minolta Business Solutions USA Inc.	72449	Service - Copier C364E	434.96
IBM Corporation	72450	Repairs and Maintenance - AS400	4,017.24
Brenda Buggs	72451	Earned and Unused Vacation Leave	2,437.77
Andrew Clark	72452	Misc. Office Expense	186.31
Tom Kinealy	72453	Software	254.95
Charles L. Shelton, Jr.	72454	Reimbursement - NCTR Conference	340.43
Chicago Equity Partners, LLC	72455	3rd Quarter 2016 Management Fee	37,874.11
Mellon Capital Management Corporation	72456	3rd Quarter 2016 Management Fee	70,437.78
Mellon Capital Management Corporation	72457	3rd Quarter 2016 Management Fee	817.46
NEPC, LLC	72458	3rd Quarter 2016 Consulting Fee	32,504.76
NEPC, LLC	72459	3rd Quarter 2016 Alt. Investment Mgmt. Fee	12,500.00
New Amsterdam Partners, LLC	72460	4th Quarter 2016 Mgmt. Fee, Final Billing	8,286.25
Board of Education St. Louis Benefits Trust	72461	Office Employees Insurance - Dental	242.94
Board of Education St. Louis Benefits Trust	72462	Office Employees Insurance - Vision	16.16
Board of Education St. Louis Benefits Trust	72463	Office Employees Insurance - Life	67.68
<b>Date Paid December 9, 2016</b>			
Office Payroll	ACH	Office Payroll	10,928.91
AXA Equitable	ACH	457 Contributions	2,423.00
The Hartford	72464	Business Owners, Workers Compensation	15,961.00
Republic Services #346	72465	Trash Pick-Up	134.00
<b>Date Paid December 20, 2016</b>			
Absopure Water Company	72485	Water Cooler Service	75.80
Buck Consultants, LLC	72486	Actuarial Consulting Services - Nov. & Dec.	6,266.00
AT&T	72487	Monthly Service Charge	193.28
Access	72488	Scanning Services	416.55
Gallagher Benefit Services, Inc.	72489	Group Ins. Consulting Services Monthly Fee	3,320.25
Parking Management Services, LLC	72490	January 2017 Parking - 2 Employees	130.00
Parking Management Services, LLC	72491	Parking Ticket Validations - November 2016	39.00
Hartnett Gladney Hettermann, L.L.C.	72492	Legal Fees	3,231.25
Office Essentials	72493	Office Supplies	783.33
Crossroads Courier, Inc.	72494	Courier Service	14.04
Eazy Business Mailers, Inc.	72495	Postage - Daily Pickup	200.00
Eazy Business Mailers, Inc.	72496	Postage & Service, Active Non-Teacher Ballots	5,179.66
BuildingStars STL Operations, Inc.	72497	Janitorial Services	1,386.00
Anders CPAs & Advisors	72498	Trustee Elections, Audit of Financial Stmts.	3,350.00
MSD	72499	Sewer Service	58.22
Charter Communications	72500	Charter Internet and Voice	179.96
Jupiter Consulting Services, LLC	72501	Programming Consulting	19,845.00
Pitney Bowes Global Financial Services LLC	72505	Lease Charges	1,410.00
American Solutions for Business	72503	1099R Forms and Envelopes	1,042.48
The Berwyn Group	72504	Death Check Verification Services	65.00
NCTR	72505	2017 Membership - Annual Renewal	1,710.00
Andrew Clark	72506	Miscellaneous Trustee Expenses	40.92
CBRE - 608844	72507	Engineer Services	340.50
<b>Date Paid December 23, 2016</b>			
Office Payroll	ACH	Office Payroll	10,649.39
AXA Equitable	ACH	457 Contributions	2,423.00
		<b>TOTAL</b>	<b>\$283,427.24</b>

**Public School Retirement System of the City of St. Louis**  
**Checks Written During the Month of January, 2017**

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
<b>Date Paid January 5, 2017</b>			
Ameren Missouri	72508	Electric Service	2,601.04
AT&T	72509	U-Verse Internet	60.00
Purchase Power	72510	Postage	530.11
OffsiteDataSync	72511	Online Backups	208.12
Windstream Communications	72512	Telephone, Data	533.93
Eazy Business Mailers, Inc.	72513	Postage - Daily Pickup	180.00
Office Essentials	72514	Office Supplies	83.26
Anders CPAs & Advisors	72515	Active Teacher Trustee Election	1,901.50
Blade Technologies, Inc.	72516	Professional Services	1,167.34
GCI Security, Inc.	72517	Security Guard 12/19/2016	144.00
Gregory F.X. Daly, Collector of Revenue	72518	City Earnings Tax - Fourth Quarter 2016	911.25
Crain Communications	72519	1 Renewal & 1 New Subscription - P&I Magazine	560.00
PRISM	72520	Annual Membership Dues - 2017	150.00
Board of Education St. Louis Benefits Trust	72521	Office Employees Insurance - Dental	248.99
Board of Education St. Louis Benefits Trust	72522	Office Employees Insurance - Vision	17.00
Board of Education St. Louis Benefits Trust	72523	Office Employees Insurance - Life	87.35
<b>Date Paid January 6, 2017</b>			
Office Payroll	ACH	Office Payroll	10,198.16
AXA Equitable	ACH	457 Contributions	2,423.00
<b>Date Paid January 20, 2017</b>			
Absopure Water Company	72553	Water Cooler Service	75.80
Buck Consultants, LLC	72554	Actuarial Consulting Services - Dec. & Jan.	4,266.00
AT&T	72555	Monthly Service Charge	193.04
Access	72556	Scanning Services	406.55
Parking Management Services, LLC	72557	February 2017 Parking - 2 Employees	130.00
Parking Management Services, LLC	72558	Parking Ticket Validations - December 2016	45.00
Hartnett Gladney Hettermann, L.L.C.	72559	Legal Fees	9,482.25
Office Essentials	72560	Office Supplies	343.88
BuildingStars STL Operations, Inc.	72561	Janitorial Services	1,386.00
Charter Communications	72562	Charter Internet and Voice	179.96
The Berwyn Group	72563	Death Check Verification Services	2,015.00
Blade Technologies, Inc.	72564	Professional Services	1,209.34
Digital Intersection	72565	Monthly Data Center Hosting	150.00
Gregory F.X. Daly, Collector of Revenue	72566	Water - City	115.66
Republic Services #346	72567	Trash Pick-Up	133.00
CBRE - 608844	72568	Engineer Services	312.13
Blue Chip Pest Services	72569	Pest Control	44.00
Tech Electronics, Inc.	72570	Central Monitoring of Fire Alarm System-Support	299.00
Full Care	72571	Snow and Ice Management	950.00
EARNEST Partners, LLC	72572	4th Quarter 2016 Management Fee	7,398.78
INTECH Investment Management LLC	72573	4th Quarter 2016 Management Fee	28,086.62
Loomis, Sayles & Company, L.P.	72574	4th Quarter 2016 Management Fee	52,013.63
Mondrian Investment Partners Limited	72575	4th Quarter 2016 Management Fee	39,093.84
Systematic Financial Management, LP	72576	4th Quarter 2016 Management Fee	62,885.96
<b>Date Paid January 20, 2017</b>			
Office Payroll	ACH	Office Payroll	10,198.16
AXA Equitable	ACH	457 Contributions	2,423.00
		<b>TOTAL</b>	<b>\$245,841.65</b>



NEPC, LLC

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## **PSRS of the City of St. Louis** **Asset Allocation and 2017 Market Themes**

February, 2017

Kristin Finney-Cooke, CAIA , Sr. Consultant  
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# St. Louis PSRS Asset Allocation

## St. Louis PSRS's Asset Allocation Mixes

	Current Allocation	Policy Target	Optimal Allocation	Mix B
<b>Equities</b>				
Large Cap Equities	20%	13%	13%	13%
Small/Mid Cap Equities	8%	9%	9%	9%
Int'l Equities	10%	12%	14%	14%
Emerging Int'l Equities	4%	7%	5%	5%
Global Equity	5%	5%	5%	5%
<b>Total</b>	<b>47%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>
<b>Income Generators</b>				
Core Bonds	8%	8%	8%	8%
High-Yield Bonds	5%	0%	0%	0%
Absolute Return Fixed Income	0%	5%	5%	5%
Global Bonds	5%	0%	0%	0%
Global Multi-Sector	0%	5%	5%	5%
EMD Blended	3%	3%	3%	3%
Private Debt	0%	1%	3%	1%
Cash	2%	0%	0%	0%
<b>Total</b>	<b>23%</b>	<b>22%</b>	<b>24%</b>	<b>22%</b>
<b>Private Mkt. Return Enhancers</b>				
Real Estate (Core)	6%	5%	7%	7%
Private Equity	2%	4%	6%	4%
Private Real Assets	0%	2%	0%	0%
<b>Total</b>	<b>9%</b>	<b>11%</b>	<b>13%</b>	<b>11%</b>
<b>Uncorrelated Diversifiers</b>				
Global Asset Allocation	13%	12%	10%	14%
Hedge Funds	9%	9%	7%	7%
<b>Total</b>	<b>22%</b>	<b>21%</b>	<b>17%</b>	<b>21%</b>
<b>Expected Return 5-7 yrs</b>	<b>6.09%</b>	<b>6.52%</b>	<b>6.51%</b>	<b>6.41%</b>
<b>Standard Dev</b>	<b>12.4%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>12.7%</b>
<b>Sharpe Ratio (5-7 years)</b>	<b>0.35</b>	<b>0.37</b>	<b>0.37</b>	<b>0.37</b>
<b>Expected Return 30 yrs</b>	<b>7.2%</b>	<b>7.54%</b>	<b>7.57%</b>	<b>7.5%</b>

- **Rebalance and shift Equity allocation to be more inline with MSCI ACWI**
  - Move 2% from Emerging into Int'l Developed
  - The MSCI ACWI has a 50% allocation to the U.S; 40% to Int'l Developed; 10% to Emerging

- **Decrease Hedge Funds and allocate to more income producing and higher return assets**
  - Decrease Hedge Funds by 2% and increase Private Debt by 2%
  - Decrease Private Real Assets by 2% and increase Private Equity by 2%

- **GAA will be the funding source for future private market commitments**

- **Adopt the “Optimal Allocation” mix at the February meeting and begin to implement asset allocation changes**
  - The 2% move from Emerging to Int'l Developed
  - Trim OFI Emerging Markets and add assets to both Causeway and Pyramis Int'l Equity
  - NEPC recommends putting in a Hedge Fund redemption (-2%) immediately as it may take a number of months before receiving the funds
- **Launch Global Multi Sector Fixed Income search in March and interview finalists in April**
  - The Global Multi Sector target of 5% was approved last year and will need to be revisited
  - NEPC will provide a Global Multi Sector Search Book of our Focused Placement managers at the March meeting
- **Details on the proposed schedule for the rest of 2017 can be found on the following page**



## Proposed Work Plan

Q2		April	May	June
	Global Multi Sector Interviews	Real Estate Structure Overview	Real Estate Candidate Review	
		Real Estate Pacing Plan		
		IPA		

Q3		July	August	September
		Real Estate Interviews	PE & PD Pacing Plan	
		IPA		

Q4		October	November	December
	PE & PD Candidate Review	PD Interviews	PE Interviews	
		IPA	Global Equity Manager Review	

**Proposed Amendment Summary**  
**Appendix A: Education, Travel & Code of Ethics Policies**  
**February 27, 2017**

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A proposed amendment to Appendix A: Education, Travel & Ethics Policies is being submitted by Trustee Christina Bennett for consideration by the Board of Trustees.

A summary of the amendment to the Conferences, Workshops section of the Education Policy follows:

1. Limits the number of conferences or workshops Trustees are allowed to attend to two (2) per year or four (4) during each term as a Trustee.

A summary of the amendments to certain sections of the Travel Policy follows:

2. Encourages Trustees to book travel at least thirty (30) days in advance.
3. Except in situations involving an emergency, prohibits the cost of changing a travel itinerary as a reimbursable expense and clarifies "how to" reimburse the system for a travel advance if travel is cancelled or not completed.
4. Limits the advance method to registration fees, transportation and lodging expenses, and removes the \$75 per diem limit.
5. Clarifies the consequences of not timely submitting a travel voucher along with any required reimbursements to the System, i.e. reporting delinquent travel vouchers to the Board of Trustees by the Executive Director.
6. Requires itemized receipts for all travel related expenses and clarifies limited exceptions to this requirement.
7. Modifies and clarifies the meaning of payable days.

A summary of the amendments to certain sections of the Code of Ethics Policy follows:

8. Requires Trustees and Employees to report on the Annual Disclosure Statement all vendor contributions and gifts to a relative, spouse or guest of the Trustee or employee.
9. Requires the Executive Director to include information, at the first regular meeting of the Board each year under the Report of the Executive Director, on Trustees and employees non-compliant with Annual Disclosure Statement requirements.

Attachment:

Proposed Amendments to Appendix A: all changes highlighted in red and bold, new text is underlined while deleted text has a strike through it.

**Public School Retirement System of the City of St. Louis**  
**Education, Travel, and Code of Ethics Policies**

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Missouri Statutes §105.450, 105.452, 105.454, and 105.458 describe certain prohibited acts by elected and appointed public officials and employees which apply to trustees who serve on the Board of Trustees (the “Board”) of the Public School Retirement System of the City of St. Louis (the “System”) and the individuals the Board employs. For reference, copies of the relevant statutes are attached.

Above and beyond these broad statutes, the Board believes it is prudent to adopt specific additional policies that establish high, ethical standards for the System’s trustees and employees. In this regard, education, travel, and code of ethics policies are contained herein. These policies have been adopted by the Board to provide standards for trustee and employee behavior and to protect the System from the implications of actual and/or perceived improprieties.

**Education Policy**

Because trustees are not employed in the pension industry, it is expected that they will need ongoing education about investment, actuarial, and legal issues in order to discharge their fiduciary duties properly and effectively.

Regarding the need for education, it is important to note that Section 7 of the Uniform Management of Public Employee Retirement Systems Act (UMPERSA) states that a trustee or other fiduciary shall discharge his/her duties “with the care, skill and caution under the circumstances then prevailing which a prudent person acting in like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose”. It is also important to note that case law regarding fiduciary responsibilities does not permit comparison to a novice, whether or not a prudent novice. Rather, both UMPERSA and case law clearly indicate that trustees will be held to no lower standard than that of others familiar with such matters. Therefore, while the applicable standard of prudence contains some flexibility, trustees need to be properly equipped to oversee complex investment situations.

Because each trustee and employee has an obligation to further his/her knowledge and skills regarding the prudent management of the System, the Board encourages individual educational endeavors and supports such educational opportunities as are described below.

☞ ***Publications, Subscriptions, Membership Dues***

- The System will provide each new trustee with a Dictionary of Finance and Investment Terms.
- The System will pay for an annual subscription to “Pensions & Investments” in behalf of each trustee.
- The System will pay membership dues for the National Council on Teacher Retirement (NCTR), the National Association of Securities Professionals (NASP), and the Missouri Association of Public Employee Retirement Systems (MAPERS).

☞ ***Conferences, Workshops***

- The Board has authorized trustees and the executive director to attend conferences sponsored by the NCTR, NASP, and MAPERS. Attendance at other educational conferences will be authorized by specific Board approval on a case by case basis.
- From time to time, the Board will invite its professional staff and its investment managers to conduct workshops on specific issues related to pension management.
- **Trustees will be allowed to attend only two (2) conferences or workshops per annum from the approved list above or a maximum of four (4) conferences or workshops during each term as a Trustee.**

## Travel Policy

The Travel Policy is intended to provide for the payment of reasonable and proper expenses of the trustees and employees of the System which are actually incurred, appropriately documented, and in connection with the performance of an individual's duties to the System. Travel to educational conferences sponsored by NCTR, NASP, and MAPERS has been authorized by the Board. Travel to other conferences and to business meetings requires specific Board approval.

Trustees and employees who are attending approved educational conferences or business meetings will be responsible for making their own travel arrangements and reservations. Trustees and employees who are planning to attend conferences which have been pre-approved under the System's Education Policy must advise the Executive Director in advance of their intention to attend. The Executive Director will include such information under the Report of the Executive Director at the next regularly scheduled meeting of the Board in order that minutes of the Board meetings will reflect attendance at pre-approved conferences.

The Board encourages trustees and employees to book travel plan arrangements at least ~~fourteen (14)~~ thirty (30) days in advance to the extent reasonably practical.

After their return, individuals will be required to submit a Travel Expense Voucher to the Retirement Office and will be subject to the same documentation requirements for the payment of reasonable expenses whether they use the Reimbursement Method or Advance Method, both of which are described below.

Except in situations involving emergencies such as illness or work-related demands, individuals will be responsible for any changes in travel costs as a result of voluntarily changing a booked and paid travel itinerary. If travel is cancelled or not completed by the individual and a travel advance has been paid by the System, then individuals must file a Travel Expense Voucher and reimburse any amount owed the System.

### *↪ Reimbursement Method*

Individuals using the Reimbursement Method will pay their expenses and, within thirty (30) days of their return, submit Travel Expense Vouchers (sample attached) and proper documentation and receipts to the Retirement Office for reimbursement. The Retirement Office will reimburse individuals for approved travel expenses within ten (10) days of final approval of their Travel Expense Vouchers.

### *↪ Advance Method*

Individuals using the Advance Method ~~will may~~ request an advance from the Retirement Office for anticipated expenses for registration fees, transportation, ~~and~~ lodging by completing the appropriate form and providing documentation that shows the anticipated expenses, and/or daily living expenses. Advances for daily living expenses may not exceed \$75.00 per day. Within thirty (30) days of returning from their trips, individuals *must* submit Travel Expense Vouchers (sample attached) and proper documentation and receipts to the Retirement Office, and

- if their advances exceed their approved, actual expenses, they must reimburse the System for the difference within ten (10) days of final approval of their Travel Expense Vouchers, or
- if their approved, actual expenses exceed their advances, the Retirement Office will reimburse them for the difference within ten (10) days of final approval of their Travel Expense Vouchers.
- Any trustee or employee who fails to timely submit a Travel Expense Voucher, or to timely reimburse the System the amount of any over-advanced money shall not be entitled to request any further advances or make any System related travel plans until such time as the appropriate Travel Expense Voucher has been submitted, finally approved, and any over-advanced money reimbursed to the System.

- The Executive Director will include information on Trustees ineligible to travel under the Report of the Executive Director at the next regularly scheduled meeting of the Board.

#### ☞ Receipts

- An itemized receipt *must* be submitted for any all expenditures, if receipts are normally available for the type of expense incurred. For example, receipts are normally available for meals, parking and taxi fare, but not from a doorman or bellhop. ~~which exceeds \$25.00. Credit card or cash summary receipts that do not itemize expenses may not be accepted.~~
- ~~A receipt *should* be submitted for any expenditure, even an expenditure of less than \$25.00, if receipts are normally available for the type of expense incurred. For example, receipts are normally available for taxi fare, but not from a doorman or bellhop.~~
- A receipt from a travel agent is *not* acceptable for transportation expenditures. Rather, individuals must submit a ticket stub or passenger receipt from the carrier.
- If a receipt includes expenses for another individual, the relationship of the other individual to the System will determine whether the expense will be paid by the System.
  - ◆ For example, if one trustee pays for meals for several trustees, such that the expenditure would have been reimbursable if it had been paid individually by the other trustees, the entire expenditure would be reimbursable to the trustee who paid for the meals. The trustee who paid for the meals should indicate on the receipt the names of the individuals for whom the expenses were incurred and their relationship to the System.
  - ◆ On the other hand, if a receipt includes an expenditure for the meal of a trustee's spouse or guest, an adjustment should be made to exclude that expense and so noted on the receipt.

#### ☞ Payable Days

Payable expenses may be incurred during one-day traveling to and one-day traveling from an approved conference or meeting, and while in attendance at the conference or meeting; ~~however, individuals who are able to utilize discount airfares which require a Saturday night stay may incur an additional day of payable expenses, but only if the result is that the System will incur less overall expenses than if the additional day's stay had not occurred.~~ In cases where a trustee or employee intends to request payment for an additional day's extended stay, such individual must submit to the Executive Director, at least 48 hours prior to traveling to the conference or meeting, a written statement detailing the actual savings to the System resulting from the additional day's extended stay. Within 24 hours after receipt of any such written statement, the Executive Director shall notify the trustee or employee that such written statement: (1) appears in compliance with the Travel Policy and will be recommended for final approval; (2) raises issues or concerns that will need to be resolved by the Board or appropriate committee of the Board responsible for administering this Travel Policy (the "Committee"). The Committee shall be appointed by the Chairperson of the Board and shall be representative of the Board in composition.

Expenses incurred as the result of an individual's extended stay which exceed the limits of this Travel Policy will not be payable by the System.

#### ☞ Transportation Expenses

- Payable transportation expenses will be the lesser of reasonable coach airfare or, if alternative transportation is utilized, the actual cost of alternative transportation.
- Payable transportation expenses will include the cost of public transportation to and from the airport or the cost of long-term airport parking.
- In cases where individuals use automobiles which they own or lease, payable cost will be determined by actual miles driven on the most direct route at the current mileage rate permitted by the Internal Revenue

## APPENDIX A

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Code. Expenses incurred as the result of a detour taken voluntarily by the individual will not be paid by the System.

- Generally, car rental fees will not be paid by the System; however, the System will reimburse an individual for car rental fees for the days of a conference plus arrival and departure days in the event of an unusual situation where renting a car will result in lower overall cost than alternative transportation, such as taxis or shuttle buses. In cases where an individual is requesting reimbursement for car rental expenditures, such individual must comply with the procedures set forth above regarding additional day's stays to establish that the overall cost of renting a car will be less costly than available alternative transportation.

### 🔗 *Personal Expenses*

Generally, expenses of a personal nature, such as recreational expenditures or additional expenses incurred on behalf of a spouse or guest, are **not** reimbursable. However, reasonable expenses for long distance telephone calls to an individual's family and employer shall be paid by the System and shall not be included under any maximum daily living expense allowance established by the Board. To provide additional guidance regarding "reasonable" long distance telephone expenses, the Board would deem it reasonable for individuals to call their families and employers once a day during their absences; however, lengthy or numerous long distance telephone calls should be explained in writing and payment will be subject to approval by the Committee.

### 🔗 *Approval Process*

- The Executive Director will conduct an initial review of Travel Expense Vouchers to assure that submitted expenditures are in compliance with the System's Travel Policy, that advances have been properly recorded, and that appropriate documentation has been included. As a part of the initial review process, the Executive Director will discuss issues of concern with the trustee or employee who submitted the voucher for payment. At the conclusion of the initial review process, the Executive Director will forward Travel Expense Vouchers to the Committee with a recommendation (a) to pay the voucher as submitted, or (b) to scrutinize specified expenditures that do not appear to be addressed by or in compliance with the System's Travel Policy.
- The Committee will be responsible for final approval of Travel Expense Vouchers in cases where the expenditures are addressed by and in compliance with the System's Travel Policy; however, payment of expenditures that are not included as payable under the System's Travel Policy and/or reimbursement of extraordinary or unanticipated expenditures will require full Board approval.
- In the event the Committee, or the full Board, if full Board approval is required, is unable to determine if a specific expenditure is payable, the Committee, or the Board, shall obtain advice from the System's legal counsel and/or its accounting firm to assist them in coming to an appropriate conclusion which is consistent with the spirit of the Travel Policy and applicable law.
- With respect to the payment of travel expenses, the decision of the Committee, or the Board, as the case may be, will be final.

### **Code of Ethics Policy**

The Uniform Management of Public Employee Retirement Systems Act (UMPERSA) defines a trustee as a person having ultimate authority to manage a retirement system or to invest or manage its assets. Section 7 of the Act describes General Fiduciary Duties as follows:

"A trustee or other fiduciary shall discharge duties with respect to a retirement system:

- (1) solely in the interest of the participants and beneficiaries;
- (2) for the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the system;

- (3) with the care, skill and caution under the circumstances then prevailing which a prudent person acting in like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
- (4) impartially, taking into account any differing interests of participants and beneficiaries;
- (5) incurring only costs that are appropriate and reasonable; and
- (6) in accordance with a good-faith interpretation of the law governing the retirement program and system.”

It is a trustee’s duties of loyalty and care to the participants and beneficiaries of the System that create standards prohibiting conflicts of interest and requiring trustees and employees to act with the highest level of ethical responsibility in the performance of their duties. This Code of Ethics Policy addresses conflicts of interest and situations that can appear to be conflicts of interest from two perspectives: (a) as they relate directly to trustees and employees of the System, and (b) as they relate to the professionals employed by the System, such as investment consultants, money managers, brokerage firms, insurance brokers, attorneys, auditors, actuaries, custodians, etc.

### *Trustees and Employees*

Trustees and employees, by their conduct, shall not create a reasonable basis for the impression or perception that any person, organization or firm can influence them in the performance of their official acts or actions. In this regard, any trustee/employee relationship or association with a current or prospective vendor must be directly beneficial to the System, or must be reasonably expected to provide the trustee or employee with educational assistance that will be immediately relevant to his/her duties to the System. A trustee’s duty of loyalty also includes the obligation not to be influenced by the interest of any third party, including an obligation to subjugate the interests of the party who appointed the trustee, for example, the union or plan sponsor, to the interests of the participants and beneficiaries of the System.

#### > Gifts and Gratuities

- ◆ Trustees and employees shall not solicit or accept contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) from any single current or prospective vendor which exceed a value totaling \$50 in any calendar year. **Trustees and employees shall disclose on the Annual Disclosure Statement any and all contributions or gifts (to include lodging, transportation, or invitations to social/sporting events) that were extended to a relative, spouse or guest of the Trustee or employee.** However, the limitation on gifts does not apply:
  - a) to business meals/receptions where a representative of the vendor is present for the purpose of conducting business or providing education,
  - b) to seminars/conferences sponsored by a vendor or prospective vendor where attendance is approved by the Board of Trustees or the System’s Travel Policy,
  - c) to participation in recreational or social events while attending a seminar/conference, provided said events are available to a majority of the seminar/conference attendees,
  - d) to participation in recreational or social events sponsored by a vendor or prospective vendor provided attendance is expected to benefit the System and provided attendance is reported on the trustee’s/employee’s Annual Disclosure Statement.
- ◆ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors for their own personal benefit or in behalf of any third party.
- ◆ Trustees and employees shall not solicit or accept contributions or gifts from current or prospective vendors if they know, or reasonably should know, that such contributions or gifts are intended to influence their actions or decisions with respect to the System.

## APPENDIX A

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- ◆ If a trustee or employee receives an unsolicited, prohibited contribution or gift, he/she should return such contribution or gift to the source; however, if returning the contribution or gift is not possible or feasible, the contribution or gift should be donated to a charitable organization.

- Personal Investments/Obligations

Trustees and employees shall not make personal investments, engage in transactions or professional activities, or incur obligations of any nature which would create, or which the trustee or employee should reasonably foresee would create, a substantial interest in a business, contract, property, or investment that would result in a significant or continuing conflict of interest, or the appearance of a conflict of interest, with the System.

- Confidential Information

Trustees and employees shall not use confidential information pertaining to the System, or confidential information obtained by reason of their position with the System, for the purpose of personal gain or gain for a third party, nor, except as may be required by law, shall they disclose confidential information pertaining to the System to any person not authorized by the Board to receive such confidential information.

- Nepotism

On the basis of objective qualifications and competitive cost, the System may elect to hire or retain the relative of a trustee or employee; however, it will be incumbent upon the trustee or employee to disclose such a relationship to the Board as early in the evaluation and selection process as is reasonably possible.

- Annual Disclosure Statement

- ◆ No later than January 31st each year, every trustee and employee of the System shall complete an Annual Disclosure Statement (sample attached) which will be received by ~~the Chairperson of the Board~~ and maintained in the Retirement Office for a period of at least five (5) years.
- ◆ The Executive Director will include information on Trustees and employees that are in noncompliance with the Annual Disclosure Statement at the first regularly scheduled meeting of the Board each year, usually in February, under the Report of the Executive Director.
- ◆ A trustee or employee who fails to file an Annual Disclosure Statement by January 31st, or who violates the System's Code of Ethics Policy, will be subject to sanctions, at the discretion of the Board, up to and including removal from office or employment termination.

### 🔗 Vendors

At the time a vendor is hired/retained, and thereafter, on or about November 1st each year, every vendor who conducts business with the System will receive a copy of the System's Code of Ethics Policy. Vendor copies will contain a form to be returned to the System on which vendors will acknowledge receipt and acceptance of the System's Policy. If the System learns that a vendor has violated the Code of Ethics Policy without a prior written waiver from the Board, the vendor's contract will be terminated and the vendor will not be eligible to do business with the System for a period of at least two (2) years.