

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**
MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING
December 15, 2008

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The December 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, December 15, 2008. The meeting was conducted in the 2nd floor boardroom of the PSRSSTL office building located at 3641 Olive Street, St. Louis, Missouri. Paulette McKinney, Chairperson of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees Christina Bennett, Katie Lamb, Katha McKinney, Paulette McKinney, Veronica O'Brien and Rick Sullivan were in attendance. The Board of Trustees had a quorum at the meeting. Trustees Joe Clark, Byron Clemens, Helen Lynch and Thaha Menkara joined the meeting in progress. Trustee Cynthia Warren was absent.

Executive Director, Andrew Clark, Accounting Specialist, Terry Mayes, PSRSSTL Attorney, Jeff Hartnett, PSRSSTL Actuary, Jim Rubie, and a small number of interested parties were also present for the meeting.

II. APPROVAL OF MINUTES FROM LAST MEETING

Katha McKinney made a motion, seconded by Helen Lynch, to approve the minutes of the Board of Trustees Regular Meeting of October 20, 2008.

A roll call vote was taken.

Christina Bennett	Yes	Katie Lamb	Yes	Katha McKinney	Yes
Paulette McKinney	Yes	Veronica O'Brien	Yes	Rick Sullivan	Yes

With six yes votes, motion carried.

Katha McKinney made a motion, seconded by Christina Bennett, to approve the minutes of the Special Telephonic Board of Trustees Meeting of November 25, 2008.

A roll call vote was taken.

Christina Bennett	Yes	Katie Lamb	Yes	Helen Lynch	Yes
Katha McKinney	Yes	Paulette McKinney	Yes	Veronica O'Brien	Abstain
Rick Sullivan	Yes				

With six yes votes, and one abstention, motion carried.

III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

IV. PRESENTATIONS BY INTERESTED PARTIES

None

V. CONSENT AGENDA

Christina Bennett made a motion, seconded by Katha McKinney, to approve the Retirements and Benefits of October and November 2008.

A roll call vote was taken.

Christina Bennett	Yes	Katie Lamb	Yes	Helen Lynch	Yes
Katha McKinney	Yes	Paulette McKinney	Yes	Veronica O'Brien	Yes
Rick Sullivan	Yes				

With seven yes votes, motion carried.

Helen Lynch made a motion, seconded by Christina Bennett, to approve the Refunds and Bills of October and November 2008.

A roll call vote was taken.

Christina Bennett	Yes	Katie Lamb	Yes	Helen Lynch	Yes
Katha McKinney	Yes	Paulette McKinney	Yes	Veronica O'Brien	Yes
Rick Sullivan	Yes				

With seven yes votes, motion carried.

VI. UNFINISHED BUSINESS

None

VII. REPORT OF THE CHAIRPERSON

The Chairperson opened the floor for nominations of the 2009 Chairperson of the Board of Trustees. Helen Lynch nominated Katie Lamb and Christina Bennett nominated Katha McKinney as Chairperson. The Board of Trustees cast votes by written ballot for Chairperson; the results were five votes for Katha McKinney and three votes for Katie Lamb. Katha McKinney was elected as Chairperson of the Board of Trustees for 2009.

The Chairperson opened the floor for nominations of the 2009 Vice Chairperson of the Board of Trustees. Katha McKinney nominated Katie Lamb and Byron Clemens nominated Helen Lynch as Vice Chairperson. The Board of Trustees cast votes by written ballot for Vice Chairperson; the results were four votes for Helen Lynch, three votes for Katie Lamb and one vote for Veronica O'Brien. Helen Lynch was elected as Vice Chairperson of the Board of Trustees for 2009.

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director announced that Katie Lamb has been re-elected as the Active Teacher Trustee for the term of January 1, 2009 – December 31, 2012, and expressed congratulations.

The Executive Director asked the Chairperson to entertain a motion to approve the proposed Board of Trustees Meeting Schedule for Calendar Year 2009. There was discussion on the August and December dates. Byron Clemens made a friendly amendment, seconded by Helen Lynch to change the date of the August meeting to August 24, 2009. Christina Bennett made a friendly amendment, seconded by Byron Clemens, to change the date of the December meeting to December 14, 2009.

A roll call vote was taken.

Christina Bennett	Yes	Joe Clark	Yes	Byron Clemens	Yes
Katie Lamb	Yes	Helen Lynch	Yes	Katha McKinney	Yes
Paulette McKinney	Yes	Veronica O'Brien	Yes	Rick Sullivan	Yes

With nine yes votes, motion carried.

The Executive Director reported that the Lease Agreement with the Veterans Administration to lease all the available office space in the retirement system office building has been executed.

The Executive Director reported that the Investment Management Agreement with Loomis Sayles & Company, the new high yield fixed income money manager, is still being finalized. The major issue has to do with the management fee structure. The Executive Director informed the Trustees that Loomis Sayles & Company was holding firm on 50 basis points but had also included a \$150,000 minimum annual fee regardless of asset value. The Executive Director informed the Trustees that Loomis Sayles & Company has been informed that this is unacceptable. The Board of Trustees agreed to this by consensus and the Executive Director will inform the Investment Committee Chair if this remains an issue in order to call a meeting if necessary.

IX. REPORT OF THE INVESTMENT CONSULTANT

None

X. REPORT OF THE ACTUARY

The Actuary reported on the annual Actuarial Valuation Report as of January 1, 2008, by reviewing an Executive Summary of the report. The Actuary explained the main purpose of the report as the determination of the required annual employer contributions from the Board of Education, the Retirement System, the Charter Schools and Harriet-Stowe State College. There was discussion on the 5% COLA proposed by the Actuary and whether or not this could be decreased. The Actuary explained that this could be decreased at the discretion of the SLPS school board. The Trustees discussed the need for improved communication between the school district and the retirement system regarding the 2009 contributions. The Trustees discussed this point at length.

Byron Clemens made a motion, seconded by Katha McKinney, to accept the Actuarial Valuation Report as of January 1, 2008, as presented by the Actuary. There was discussion between the Actuary and the Trustees with regard to the calculation of the Unfunded Actuarial Accrued Liability (UAAL), actuarial present value of future benefits, contributions and compensation, and the determination of normal cost contributions.

A roll call vote was taken.

Christina Bennett	Yes	Joe Clark	Yes	Byron Clemens	Yes
Katie Lamb	Yes	Helen Lynch	Yes	Katha McKinney	Yes
Paulette McKinney	Yes	Thaha Menkara	Yes	Veronica O'Brien	Yes
Rick Sullivan	Abstain				

With nine yes votes, and one abstention, motion carried.

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

Christina Bennett, Chair of the Benefits Committee, reported on the 101 Actuarial Seminar of December 11, 2008.

Budget Committee

Helen Lynch, Chair of the Budget Committee, reported on the meeting of December 3, 2008, where the Committee accepted the Operating Budget for Calendar Year 2009 as presented by the Executive Director with one modification to miscellaneous expenses. The Chair asked the Trustees if they wanted the Executive Director to review the budget. There was no discussion so the Chair asked for a motion to approve the Operating Budget for Calendar Year 2009 as presented and modified.

Christina Bennett made a motion, seconded by Katie Lamb, to approve the Operating Budget for Calendar Year 2009 as presented.

A roll call vote was taken.

Christina Bennett	Yes	Joe Clark	Yes	Byron Clemens	Yes
Katie Lamb	Yes	Helen Lynch	Yes	Katha McKinney	Yes
Paulette McKinney	Yes	Thaha Menkara	Yes	Veronica O'Brien	Yes
Rick Sullivan	Yes				

With ten yes votes, motion carried.

Investment Committee

Joe Clark, Chair of the Investment Committee, reported on the meetings of October 23 & November 21, 2008. There was extended discussion on the miscommunication between SLPS and the retirement system regarding performance for six money managers. The Chair stressed the need for accurate information to circulate in the public and that investment issues should be discussed directly with the retirement system before being publicly broadcasted. The Chair discussed the selection of Loomis Sayles & Company at the meeting on November 21, 2008, and the subsequent approval by the Board of Trustees at the special meeting on November 25, 2008.

Legislative Committee

Helen Lynch, Chair of the Legislative Committee, reminded the Trustees of an upcoming meeting on December 18, 2008, followed by a Special Board of Trustees Meeting, if necessary.

Personnel & Professional Committee

Katha McKinney, Chair of the Personnel & Professional Committee, informed the Trustees of a memo and evaluation form distributed to the Trustees and requested the Trustees to turn in their responses as soon as possible.

Rules & Regulations Committee

None

Trustee Travel Commission

Byron Clemens, Co-Chair of the Trustee Travel Commission, made a motion, seconded by Helen Lynch, to approve the travel expenses as recommended and accepted by the Trustee Travel Commission in a meeting on December 3, 2008.

A roll call vote was taken.

Joe Clark	Yes	Byron Clemens	Yes	Katie Lamb	Yes
Helen Lynch	Yes	Katha McKinney	Yes	Paulette McKinney	Yes
Thaha Menkara	Yes	Veronica O'Brien	Abstain	Rick Sullivan	Yes

With eight yes votes, and one abstention, motion carried.

XII. NEW BUSINESS

Helen Lynch thanked Paulette McKinney for her service as Chairperson of the Board of Trustees. Paulette McKinney announced the need for RFPs for the Actuary, Attorney and Investment Consultant since the schedule had not been followed. The Executive Director claimed responsibility and agreed that the RFPs need to be made in the near future. There was discussion on a four month time frame for each RFP in 2009.

XIII. REPORT OF THE ATTORNEY

None

XIV. ADJOURNMENT

Helen Lynch made a motion, seconded by Byron Clemens, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 6:30 p.m.

Attachments:

- Retirements, Refunds & Bills Paid October and November 2008
- Memo to the Board of Trustees from the Executive Director dated December 15, 2008
- Board of Trustees Regular Meeting Schedule for Calendar Year 2009
- Executive Summary for Actuarial Valuation Report as of January 1, 2008
- Operating Budget for Calendar Year 2009
- Summary of the Travel Expenses Approved by the Board of Trustees dated December 15, 2008