

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**
MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING
October 20, 2008

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The October meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at 4:45 p.m., Monday, October 20, 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, Joseph Clark, Byron Clemens, Katie Lamb, Helen Lynch, Katha McKinney, Paulette McKinney, Thaha Menkara and Veronica O'Brien were in attendance. The Board of Trustees had a quorum at the meeting. Trustee Cynthia Warren joined the meeting in progress by telephone. Trustees Rick Sullivan was absent.

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

II. APPROVAL OF MINUTES FROM LAST MEETING

Helen Lynch made a motion, seconded by Katha McKinney, to approve the minutes of the Board of Trustees Regular Meeting of August 18, 2008.

A roll call vote was taken.

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

With nine yes votes, motion carried.

Helen Lynch made a motion, seconded by Katha McKinney, to approve the minutes of the Special Board of Trustees Meeting of September 24, 2008.

A roll call vote was taken.

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

With nine yes votes, motion carried.

III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

The Chairperson referred the Board of Trustees to a letter from member Paul S. April dated August 21, 2008, with a response from the Executive Director. There was no discussion regarding the letter.

IV. PRESENTATIONS BY INTERESTED PARTIES

Retired member James Hamilton read a document to the Board of Trustees regarding this year's SLPS contributions and the need for a cost-of-living-adjustment (COLA). Retired member Jim Thomson read a letter to the Board of Trustees with specific questions about a COLA, communication with the Board of Trustees and post-retirement employment with a charter school. The interested parties will receive a written response to the documents presented to the Board of Trustees.

V. CONSENT AGENDA

Thaha Menkara made a motion, seconded by Helen Lynch, to approve the Retirements and Benefits of August and September 2008.

A roll call vote was taken.

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

With nine yes votes, motion carried.

Christina Bennett made a motion, seconded by Katha McKinney, to approve the Refunds and Bills of August and September 2008.

A roll call vote was taken.

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

With nine yes votes, motion carried.

VI. UNFINISHED BUSINESS

The Chairperson, Paulette McKinney, made a second reading of proposed amendments to Chapter A, Rule XIV. – Investment Policies from a document, including adoption of the revised Investment and Operating Guidelines. There was discussion about the process leading to the second reading.

Helen Lynch made a motion, seconded by Katha McKinney, to adopt the amendments to Chapter A, Rule XIV. – Investment Policies, including the revised Investment and Operating Guidelines, as read by the Chairperson.

A roll call vote was taken.

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

With nine yes votes, motion carried.

VII. REPORT OF THE CHAIRPERSON

None

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director reported on the 2008 pension payment funding stream, recent Trustee and Executive Director Travel, building leasing activity, a suggestion and/or request form, and the status of the 2009 operating budget. There was discussion about the recent 2008 NCTR Annual Convention held in Washington, D.C. that was attended by six Trustees and the Executive Director. There was discussion on upcoming legislative changes until the Chairperson referred it to the Legislative Committee Report.

IX. REPORT OF THE INVESTMENT CONSULTANT

None

X. REPORT OF THE ACTUARY

None

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 meeting of September 24, 2008, regarding the approval of the 2009 health insurance renewals for retirees.

Budget Committee

Helen Lynch, Chair of the Budget Committee, informed the Board of Trustees that there will be a meeting in November.

Investment Committee

Joe Clark, Chair of the Investment Committee, reported on the meeting of September 18, 2008, where there was training and a report on private equity investments. The Chair informed the Board of Trustees that the Committee recommended an investment of \$5 million in Smith Whiley & Company Pelham Fund III, a mezzanine investment strategy. The Chair concluded by stating the full board approved the investment at a special meeting held on September 24, 2008.

Legislative Committee

Helen Lynch, Chair of the Legislative Committee, reported on the meeting of September 16, 2008. There was extended discussion on the process to have legislation changed by the State of Missouri, including lobbying efforts, legislative sponsorship, working cooperatively with the St. Louis Public Schools, employee/employer contributions and COLA. The Chair recapped the recommendation made by the Committee at the meeting on September 16, 2008.

Byron Clemens made a motion, seconded by Katha McKinney, to adopt the recommendation made by the Legislative Committee to have the Attorney draft language to change the state statutes to reflect a fixed contribution rate for employees and employers, to set a contribution payment schedule on either a monthly or bi-weekly basis, and to clarify the COLA language. There was more discussion on legislative issues until the question was called.

A roll call vote was taken.

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

With nine yes votes, motion carried.

Personnel & Professional Committee

Katha McKinney, Chair of the Personnel & Professional Committee, informed the Trustees of upcoming staff training and the importance of clear communication with potential retirees.

Rules & Regulations Committee

None

Trustee Travel Commission

Byron Clemens, Co-Chair of the Trustee Travel Commission, reminded the Trustees to file travel vouchers on time.

XII. NEW BUSINESS

Christina Bennett reminded the Trustees of the upcoming 101 training session on actuarial processes and COLA. The session is intended to be interactive between the Trustees, the Actuary and the membership with a Q & A period. The session is expected to be scheduled sometime in November.

The Chairperson, Paulette McKinney, made a request to approve travel for all Trustees to the 54th U.S. Annual Employee Benefits Conference sponsored by the International Foundation of Employee Benefit Plans in San Antonio, Texas from November 16 – 19, 2008.

Byron Clemens made a motion, seconded by Katha McKinney, to approve travel for all Trustees to the 54th U.S. Annual Employee Benefits Conference sponsored by the International Foundation of Employee Benefit Plans in San Antonio, Texas from November 16 – 19, 2008.

A roll call vote was taken.

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

With nine yes votes, motion carried.

Byron Clemens made a motion, seconded by Veronica O'Brien, to direct the PSRSS'TL professional staff to respond to Rick Sullivan regarding a presentation made to the Special Administrative Board on October 14, 2008, and a subsequent press release on October 17, 2008, on several of the PSRSS'TL investment money managers. There was

extended discussion on the negative implications of the presentation and the press release until the question was called.

A roll call vote was taken.

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

With nine yes votes, motion carried.

XIII. REPORT OF THE ATTORNEY

None

XIV. ADJOURNMENT

Helen Lynch made a motion, seconded by Christina Bennett, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 6:25 p.m.

Attachments:

Memo from retiree James Hamilton dated October 20, 2008, with response

Letter from retiree Jim Thomson received October 20, 2008, with response

Retirements, Refunds & Bills Paid August and September 2008

Memo to the Board of Trustees from the Executive Director dated October 20, 2008

Second Reading, Proposed Amendments to Rule XIV dated October 20, 2008, with investment guidelines