CALL TO ORDER

Ms. Calla White called the regular meeting of the NCERP Committee to order at 9:16 a.m. at the Meramec Campus – Library, Confluence Room.

Members Present
- Kevin White, Vice Chairman
- Calla White, Chair
- Vicki Lucido
- Ruth Lewis
- Ron Nicoletti (ex officio)
- Kimberly Mueller

Others Present
- Donald Schisler (Towers Perrin)
- James Hayden, Plan Coordinator
- Jim Wilkinson (Columbia Management)
- Steve Chiles (State Street Bank & Trust)
- Ann Lampen
- Debbie Duane
- Debbie Watson
- Kay Geary
- JoAnn Bottenger
- Pam Zemann
- Bev Inman

COMMENTS FROM PARTICIPANTS

There were no comments from the participants.

APPROVAL OF MINUTES

Regular Meeting Minutes of May 13, 2009

Ms. Lucido moved that the minutes of the regular meeting of May 13, 2009 be approved as written. Ms. Lewis seconded the motion, and the motion carried.

ANNUAL STATE STREET BANK & TRUST COMPANY’S FINANCIAL REPORT

In Mr. Chiles’ annual business update he stated that the global economy is slowly beginning to repair and that State Street Bank & Trust is a strong industry leader with ongoing expansion
opportunities. Mr. Chiles expressed that the fact that they operate globally is an advantage and this gives them the opportunity to cross-sell to existing customers. He asserted that State Street Bank & Trust is a safe institution and operates as a strategic partner with their customers. Mr. Chiles feels that State Street Bank & Trust is well positioned in the current environment and can take the lead when we are in recovery.

Mr. Chiles further informed the committee that as of June, 2008 the ending market value of the college’s fund was $58,344,302.52. The ending market value as of June 30, 2009 was $48,888,731.73 which indicates a loss of ($9,455,570.79) and is a 16.21% decrease compared to the market value of the previous year. Mr. Chiles stated that this was due to the decline in stocks and fixed income markets. He reported that the funds have increased since June 30, 2009. Mr. Chiles stated that the Plan’s investment portfolio continues to be about the same; with a 60/40 split between Equities and Fixed Income.

Mr. Chiles pointed out the 2009 expenses and that as the investment values decrease the investment management fees decrease. Mr. Chiles indicated that all transactions made during the fiscal year for the account are included in the annual report.

Debbie Duane asked why there was such a significant increase in the administration fees? Mr. Chiles diverted this question to Mr. James Hayden, Plan Coordinator, and stated that administrative fees are paid as directed by Mr. Hayden. Mr. Hayden stated that he would look into this and later in the meeting reported that it was due to administrative fees from the previous fiscal year carrying over.

**INVESTORS’ REPORT**

Columbia Management’s Investment Presentation as of June 30, 2009.

Mr. Wilkinson opened his presentation by stating, “what a difference a quarter makes.” He stated that there is a lot of uncertainty as we come out of the recession/depression which began in December 2007 since this is something that we have not seen in our lifetime. He believes that the recession will probably end sometime in the 2nd half of 2009.

Mr. Wilkinson indicated that the housing market, especially prices, has not yet stabilized. However, the level of homebuilding activity is now near the level of sales, this is the first time that this has happened in decades. The government is offering incentives to new home buyers as well as the “Cash for Clunkers” incentive to stimulate the economy. Inventory reduction will allow for an increase in inventory build-up.

Mr. Wilkinson informed the committee that one of the reflational policies included holding the Federal Reserve interest rate is at 0% and stress-testing the largest banks to identify those needing further capital and financial stimulus. He stated that the banks passed this stress test.
Mr. Wilkinson confidently expressed that the S&P 500 was up 50.2% for the quarter which is the biggest jump since 1998. Since March 9, 2009 it has increased 38% and it increased 7.5% in July, which is the longest winning streak since 2007. Mr. Wilkerson believes that “Less Negative” has become the new positive in the market.

Mr. Wilkinson shared that the labor market continues to contract with 7 million jobs lost since December, 2007. Over the last six months nearly 600,000 jobs have been lost monthly. Mr. Wilkinson stated that an unemployment rate of over 10% is most likely. He believes that the loss of jobs has been a result of global deleveraging and an attempt to cut debt. Mr. Wilkinson expects job growth to be slow as the expectations of current employees have grown to meet the jobs lost.

Mr. Wilkinson predicted that it can be expected that the recession will wind down at the end of this year and will be replaced by a sluggish, more positive environment with different problems. The housing market began the recession, followed by commercial debt due to the decline in spending with credit card debt to follow as people who have lost their income have depended upon their credit cards to pay their bills.

The plan year ended (06/30/09) with a market value of $48,813,396 which was down 14.58% for the year but was up 11% for the quarter and 4.38% year-to-date. The plan also saw a 5% increase in the month of July. The Plan’s portfolio 60/40 mix between Equities and Fixed Income remained intact and has positively impacted the Plan.

Mr. Wilkinson stated that this is the brightest outlook he has been able to provide in our last four meetings.

Ms. White asked if there were any questions – no questions were posed.

**REPORT ON NEW PARTICIPANTS/RETIREES/RETURN OF CONTRIBUTIONS/DECEASED RETIREES**

Mr. Hayden reported that during the period of April 1, 2009 through June 30, 2009 nine (9) new participants were added to the Plan and two (2) employees separated from the College. The returned contributions and credited interest for those individuals leaving the plan totaled $2,489.25.

During the same period, three (3) Plan participants chose to retire effective April 1, 2009 and one (1) retired as of June 1, 2009. Three (3) retirees chose the Annuity Option and four chose the Lump Sum Payment totaling $199,937.30. There were three (3) deferred vested retirees who began to receive benefits as of April 1, 2009. Also, during this period, there were three (3) deaths reported for retirees receiving monthly retirement benefits.
SUBMISSION OF BILLS

Ms. Lewis made a motion, seconded by Mr. White, to ratify the payment of the seven (7) bills presented to the Committee during the reporting period. The motion carried. The bills included:

- Towers Perrin – Actuarial Services (04/01/09 – 06/30/09) $16,500.00
- Columbia Management Investment Services (04/01/09 – 06/30/09) $26,847.00
- Treat America – Services rendered on 05/13/09 $73.50
- State Street Retiree Services – Benefit Payments (04/01/09 – 06/30/09) $1,417.96
- State Street Corporation Co. – Trust Account (04/01/09 – 06/30/09) $9,625.64
- Lockton Companies LLC – Fiduciary Insurance (07/01/09 – 06/30/10) $3,980.00
- St. Louis Community College, Human Resources Dept Administration Charges – (01/01/09 – 06/30/09) $35,211.10

UNFINISHED BUSINESS

NCERP’s Operational Budget – Ending June 30, 2009 – James Hayden

The original Budget for the 2008/2009 Fiscal year was $385,893.00. As of 06/30/09 after all approved bills in the amount of $300,300.82 has been paid out, thus, leaving a balance of $85,592.18 to end the fiscal year under budget.

NCEPP’s Operational Budget for Fiscal year – July 1, 2009 through June 30, 2010

A proposed budget for 2010 Fiscal year was presented with a 1% increase and grand total cost of $387,950.00.

NEW BUSINESS

REPORT FROM ACTUARY

Mr. Schisler reported to the NCERP committee that the cost of living as measured by the (CPI-U) Consumer Price Index is down (-1.4%); therefore no COLA increases will be made to the Plan’s approximate 70 eligible retirees, effective January 1, 2010. It was determined that Mr. Hayden, Plan Coordinator, would provide letters to all retirees notifying them that there will be no COLA increases in the upcoming year.
Mr. Schisler also announced that Towers Perrin will merge as an equal with Watson Wyatt and become Towers Watson. Mr. Schisler stated that this merger would not affect the Plan or the scope of service currently being provided.

**Election of Chairperson and Vice Chairperson**

Ms. White announced that the committee would need to elect a new Chairperson and Vice Chairperson for the 2009/2010 fiscal year.

Ms. White nominated Kevin White to serve as the Chairperson. No other nominees were nominated. Mr. White was approved by the NCERP Committee as the new NCERP Chairperson.

Ms. White asked for nominations for the Vice Chairperson position. Mr. White nominated Vicky Lucido. No other nominees were nominated. Ms. Lucido was approved by the NCERP committee as the new NCERP Vice Chairperson.

**Discussion of Next Quarterly Committee Meeting**

Mr. Hayden opened discussion on the location and time for the next committee meeting. The next committee meeting is at the Forest Park Campus on November 11, 2009 at 9:15 a.m. in L007.

**ADJOURNMENT**

Ms. White thanked all the NCERP participants attending the meeting.

There being no further business, a motion was made by Ms. White and seconded by Mr. White to adjourn the meeting. The motion carried and the meeting was adjourned at 9:47 a.m. The next NCERP committee meeting will take place on Wednesday, November 11, 2009 at the Forest Park Campus beginning at 9:15 a.m.

__________________________________________ ______________________________
Chairman       Date

__________________________________________ ______________________________
Administrator       Date