

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**
MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING
December 12, 2011

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 4:35 p.m., Monday, December 12, 2011. The meeting was conducted in the 2nd floor boardroom of the PSRSSTL office building located at 3641 Olive Street, St. Louis, Missouri. Joe Clark, Vice-Chairperson of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees Joseph Clark, Mona Lawton, Thaha Menkara, Sarah Sise, Charles Shelton and Rick Sullivan were present. The Board of Trustees had a quorum at the meeting. Trustees Christina Bennett and Sheila Goodwin joined the meeting in progress.

Executive Director, Andrew Clark, PSRSSTL Attorney Representative, Jay Kimmey, PSRSSTL Actuary, Stephen Siepman, and a large number of interested parties were also in attendance. The meeting was videotaped by Washington University in St. Louis Department of Anthropology for research purposes to benefit the institution's St. Louis Schools Project.

II. APPROVAL OF MINUTES FROM LAST MEETING

Rick Sullivan made a motion, seconded by Mona Lawton, to approve the minutes of the Board of Trustees Regular Meeting of October 17, 2011.

A roll call vote was taken.

Joseph Clark	Yes	Mona Lawton	Yes	Thaha Menkara	Yes
Charles Shelton	Yes	Sarah Sise	Yes	Rick Sullivan	Yes

With six yes votes, motion carried.

III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

IV. PRESENTATIONS BY INTERESTED PARTIES

Retirees Al Katzenberger, Pat Laughlin and Erma Nevels expressed concern over the lack of a COLA or other increased benefits. Mr. Katzenberger and Ms. Laughlin presented documents that require written responses and/or acknowledgment by the retirement system.

V. CONSENT AGENDA

Christina Bennett made a motion, seconded by Rick Sullivan, to approve the Retirements and Benefits of August and September 2011.

A roll call vote was taken.

Christina Bennett	Yes	Joseph Clark	Yes	Sheila Goodwin	Yes
Mona Lawton	Yes	Thaha Menkara	Yes	Charles Shelton	Yes
Sarah Sise	Yes	Rick Sullivan	Yes		

With eight yes votes, motion carried.

Thaha Menkara made a motion, seconded by Christina Bennett, to approve the Refunds and Bills of August and September 2011.

A roll call vote was taken.

Christina Bennett	Yes	Joseph Clark	Yes	Sheila Goodwin	Yes
Mona Lawton	Yes	Thaha Menkara	Yes	Charles Shelton	Yes
Sarah Sise	Yes	Rick Sullivan	Yes		

With eight yes votes, motion carried.

VI. UNFINISHED BUSINESS

None

VII. REPORT OF THE CHAIRPERSON

The Chairperson opened the floor for nominations of the 2012 Chairperson of the Board of Trustees. Sheila Goodwin nominated Joseph Clark. There were no other nominations and the floor was closed.

Rick Sullivan made a motion, seconded by Charles Shelton, to elect Joe Clark as Chairperson by acclamation.

By voice vote, Joseph Clark was elected Chairperson of the Board of Trustees for 2012.

The Chairperson opened the floor for nominations of the 2012 Vice-Chairperson of the Board of Trustees. Sarah Sise nominated Christina Bennett. There were no other nominations and the floor was closed.

Charles Shelton made a motion, seconded by Rick Sullivan, to elect Christina Bennett as Vice-Chairperson by acclamation.

By voice vote, Christina Bennett was elected Vice-Chairperson of the Board of Trustees for 2012.

The Chairperson opened the floor for discussion regarding Sheila Goodwin's appointment as Treasurer at the October Board Meeting. Since Ms. Goodwin's term as Trustee will expire December 31, 2011, and no election will be held to fill Ms. Goodwin's Trustee vacancy before the end of the year, the Trustees needed to make a decision regarding the Treasurer appointment. There was discussion regarding the issue amongst the Trustees, Attorney and Executive Director.

Christina Bennett made a motion, seconded by Rick Sullivan, to retain Joe Clark as Treasurer for the term beginning January 1, 2012.

By voice vote, Joe Clark will remain Treasurer until further action is taken by the Trustees.

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director presented the dates for the proposed Board of Trustees Meeting Schedule for Calendar Year 2012.

Christina Bennett made a motion, seconded by Rick Sullivan, to accept the Board of Trustees Meeting Schedule for 2012.

By voice vote, motion carried.

IX. REPORT OF THE INVESTMENT CONSULTANT

The Chair introduced Michael Nairn and James DeZellar of Chicago Equity Partners for a presentation. The money manager made a brief presentation on their organization, investment philosophy, strategy and process. The money manager also presented information on capital markets and the performance of the retirement system's investment.

The Chair referred the Loomis Sayles High Yield Bond Allocation agenda item to the Investment Committee.

X. REPORT OF THE ACTUARY

The Actuary presented the retirement system's Five-Year Experience Analysis for calendar years 2006 - 2010 by reviewing a discussion document to the Board of Trustees. The Actuary reported findings on the system's mortality rates, retirement rates and member contribution withdrawal rates. The Actuary made several recommendations for changes to the system's Actuarial assumptions with regard to mortality, retirement and withdrawal rates. There were no recommendations to change the system's demographic and economic actuarial assumptions. There was limited discussion amongst the Trustees and the Actuary.

Christina Bennett made a motion, seconded by Sarah Sise, to adopt the Five-Year Experience Analysis, all assumptions and recommendations as presented by the Actuary.

By voice vote, motion carried.

XI. REPORTS OF COMMITTEES OF THE BOARD OF TRUSTEES

The Vice-Chairperson asked for reports from the Chairs of the various committees of the Board of Trustees.

Benefits Committee

None

Trustee Business Committee

Sheila Goodwin, Chair of the Trustee Business Committee, reported on the meeting of December 6, 2011.

Sarah Sise made a motion, seconded by Joe Clark, to approve the travel expenses as recommended and accepted by the Trustee Business Committee on December 6, 2011.

By voice vote, motion carried.

Joe Clark made a motion, seconded by Charles Shelton, to approve the 2012 Operating Budget as recommended and accepted by the Trustee Business Committee on December 6, 2011.

By voice vote, motion carried.

Investment Committee

Joe Clark, Chair of the Investment Committee, briefly reported on the meeting of October 27, 2011, by stating the Committee had decided not to hold meetings for the rest of 2011.

Legislative, Rules & Regulations Committee

None

Professional Contracts Committee

None

XII. NEW BUSINESS

Charles Shelton made a first reading of a proposed rule change to Chapter A., Rule X. Election of Trustees and Procedures for Elections, Section 10, as follows:

~~%~~ no candidate or only one candidate properly registers for the position of trustee for any election of a trustee, the registration process shall be reopened and the Election Commissioner shall mail another notice of the election of a trustee establishing a new registration deadline for the registration of candidates, which shall be two weeks after the date of mailing of such new notice, or if such date is a legal holiday, on the following business day. If only one candidate properly registers for the position of trustee after two mailings of a notice for any election of a trustee, then the election shall proceed with only one candidate. If no candidate registers after two mailings of a notice for any election of a trustee, election notices shall be mailed until at least one candidate has properly registered.+

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

XIII. REPORT OF THE ATTORNEY

None

XIV. ADJOURNMENT

Sheila Goodwin made a motion, seconded by Charles Shelton, to adjourn the meeting.

By voice vote, the meeting adjourned at 5:45 p.m.

Attachments:

- Interested Parties letters, questions & responses
- October and November 2011 Retirements, Refunds & Bills Paid
- 2012 Board of Trustees Regular Meeting Schedule
- Five-Year Experience Analysis
- Trustee Travel Expenses Approved by the Board of Trustees
- 2011 Operating Budget

To: Retiree Trustee, Andrew Clark

1. Several times in the past increases in payments to retirees were given by the St. Louis Public School Retirement System. Why are they not given now?
2. Trustees are not required by rules or laws to travel out of town to receive training concerning their trustee duties. Why do the trustees continue to travel out of town when they also claim there is NO money available for retiree pay increases?
3. At one time the highest paid pensions were based on the highest possible pay on the Teacher Salary Schedule. Now there is a gouging and spiking of pensions for those paid above the highest paid teachers. The top 10% or top 500 retiree pension recipients receive about 40 percent of the funds given to retirees and as a group they paid to the fund less than 30% of the contributions. The fund was more predictable when pensions were capped at the highest paid teacher salary. What will it take to bring back fairness to the retirement payments so pension spiking and gouging is ended for the benefit of the highest 10% paid employees at the expense of the lower paid employees?
4. The St. Louis Public School System is known as a racially minority school districts. Teachers in non-racially minority school districts in Missouri receive annual pension increases. Is it legal for the Retirement System to practice racial discrimination against St. Louis retirees?
5. Of the 75 teacher retirement systems of the National Council of Teacher Retirement, why is St. Louis the only one not receiving pension increases?
6. St. Louis has one of the highest funding levels of the other 75 retirement systems, so why are the other 74 systems able to give pension increases and St. Louis cannot or will not?
7. It is understood that many retirees do not receive a big enough monthly pension payment to pay for their needed health, dental and/or vision health insurance. Starting with increments of \$100.00 show how many retirees are on each progressive \$100.00 step all the way to 2% X 30 years equaling 60% of salary being giving the highest paid retiree.

Example:

\$100.00...225 retirees
\$200.00...85 retirees
\$300.00...111 retirees
\$400.00...36 retirees
\$500.00...25 retirees

8. How many retirees have medical/hospital coverage with the Retirement System?

How much is the Retirement System paying individually and totally for this coverage?

How much as a group are the retirees paying for medical/hospital coverage?

How many retirees have dental insurance with the Retirement System?

How much is the Retirement System paying individually and totally for dental coverage?

How much as a group are the retirees paying for dental coverage?

How many retirees have vision insurance with the Retirement System?

How much is the Retirement System paying individually and totally for vision coverage?

How much as a group are the retirees pay for dental coverage?

9. The Retirement System is now about 70 years old and during that time the number of retirees has grown to equal to or larger than the number of active employees. What can be done to increase the retiree representation on the Retirement System Board of Trustees? The SAB has only three appointed members, but has three appointed and one self-appointed members on the Retirement System Board of Trustees. The Board of Trustees is not representative of the Retirement System membership.

10. Why are retirees who attend Board of Trustee meetings NOT allowed to view the information given to the Board of Trustees by the Director of the Retirement System and/or the Money/Fund Managers of the Retirement System? The Money/Fund Managers often have extra copies of the information they are presenting and are willing to share it with everyone at the Board of Trustee meetings but individual members of the Board of

Trustees yell out and tell the retirees present that they cannot see what is being present.

11. Why do other Retirement System follow the Sun Shine Laws of Missouri and the St. Louis Retirement System refuses to comply? What and Why is the Retirement System hiding information from the retirees?
12. The Retirement System violates the Sun Shine Laws of Missouri at every Board and Committee meetings. Active and retired members ask questions in public and get answers in secret only to the individual asking the question or seeking clarification. Why aren't the questions asked in public answered through a public forum such as being included with the minutes of the meetings on the Retirement System web page?

Sincerely,

Al Katzenberger	C. Rowe - Uddin
AKatzenberger	Emmanuel
James Hamilton	Ann M. Corrigan
Michael Alford	Barbara Percy
Harry Kemp	Garnett Bailey
Phillip Graves	DeeDee Mills
Cynthia A. Crawford	Selena H. Clard
Lula Howell	
Linda S. Lopez	

Send response to:

2710 Hampton Avenue
St. Louis, MO 63139

PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
3641 OLIVE STREET, SUITE 300 ♦ ST. LOUIS, MO 63108-3601

OFFICE OF THE
EXECUTIVE DIRECTOR

PHONE: (314) 534-7444
FAX: (314) 533-0531

December 13, 2011

Mr. Al Katzenberger
c/o AFT St. Louis, Local 420
2710 Hampton Ave.
St. Louis, MO 63139

RE: Response to Letter

Dear Mr. Katzenberger:

I am responding to the letter you presented to the Board of Trustees at the last regular board meeting on December 12, 2011, on behalf of 16 retirees. Your letter is being treated as a request pursuant to Chapter 610 RSMo., commonly known as the "Sunshine Act." This letter is an attempt to address most of the issues in your letter, as it contains some general statements, opinions and calculations that do not require a response.

In your letter, you ask about the lack of benefit increases for retirees compared to a time when increases were granted. Without belaboring the point, benefit increases must be agreed to and paid by SLPS. The only exception to this is if the retirement system were actuarially sound enough to fund a benefit increase on its own. Since the funding ratio is 84.7% and continues to decline when compared to better times, the retirement system is unable to fund a benefit increase without financial support or funding from its employers, and the law prohibits the retirement system from increasing benefits that would cost the employers and/or employees more in contributions without their commitment. Trustee travel and education have been deemed by the Trustees to be an appropriate expenditure in the interest of members and in fact are not significant enough to materially affect the funded ratio of the Retirement System.

With regard to healthcare benefits, I have attached the latest census provided by the health insurance consultant earlier this fall along with the current rate sheets for medical insurance premiums in 2012. The census excludes the number of participants in the vision plan; the number of participants currently enrolled is 3,101.

In the interest of addressing your concerns with the cost of healthcare for retirees, the retirement system has offered a \$0 premium medical insurance plan through GHP Medicare since the beginning of this year. For retired members who choose this plan, the retirement system pays their entire portion of the premium. The retirement system pays the total amount of the retiree premium for vision insurance and has done so for over five years. Retirees have an option available to them where the dental insurance premium is \$11.36 per month. Therefore, the retirement system offers a

total healthcare package to retirees that costs as low as \$136.32 per year. This is very affordable compared to the high cost of healthcare insurance common throughout the industry.

You go on to mention purported inequities in pension payments to certain retired members and accuse the retirement system of certain other injustices, particularly compared with other, unidentified retirement systems. I assure you the retirement system complies with the law on all accounts. You should visit our website at www.psrstl.org and navigate through the various links that are clearly marked to find much of the information requested in your letter. Board meeting packets have been made available on-line since December 2010 and contain full disclosure of all attachments to the minutes for both committee and regular meetings of the Board of Trustees.

When a money manager provides information at a meeting, not all of it becomes public information as you claim. In fact, many of the money manager books contain a statement such as “not for public distribution” because the book may contain proprietary information with regard to their investment strategy, personnel, etc. I understand you may disagree with the decisions of the Trustees but the members either elected or the Board of Education appointed the Trustees to guide the Fund. This means individual members or groups of members are welcome to observe committee or regular meetings but are not allowed to participate, unless it is part of the public comment section of a regular meeting. Public meeting records are available upon request no sooner than ten days after a meeting of the Trustees.

As a former board member I’m sure you remember that the make-up of the Board of Trustees is governed by statute. This means any changes would need to be initiated and approved by the State Legislature. The composition of the Board of Trustees fully complies with Missouri law, including with respect to the so-called “retired member” board positions.

Thank you for your continued interest in the retirement system.

Sincerely,

“FILE COPY”

Andrew Clark
Executive Director

Cc: Board of Trustees

Attachments as noted



Public School Retirement of the City of St. Louis

2012 Benefit Plan Renewal Considerations

Presented by Longfellow Benefits

Patrick Haraden, Principal, Employee Benefits Services

September 2011

Current Enrollments

⇒ UHC Base Medical Plan

. With Medicare	1,004
. Without Medicare	188
. Total	1,192

⇒ UHC Buy Up Medical Plan

. With Medicare	365
. Without Medicare	384
. Total	749

Current Enrollments

⇒ GHP Medical Plans

. Hi Option	400
. Low Option	389
. Gold Option	25
. Total	814

⇒ UHC Dental Plans

. High Option	2,288
. Low Option	583
. Total	2,871

Public School Retirement System of the City of St. Louis
Medical, Dental and Vision Insurance Plans

Member Monthly Premiums

Plan Year 2011 v. 2012

MEDICAL

MEDICAL

	UnitedHealthcare Point-of-Service (POS) Plan		UnitedHealthcare Point-of-Service (POS) Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan	
	Base Plan ~ Includes nationwide provider network~		Buy Up Plan ~ Includes nationwide provider network~		Advantra St. Louis Area Low-Option HMO		Advantra St. Louis Area High-Option HMO		Advantra Gold St. Louis Area HMO	
	Medicare and Non-Medicare members				No Coverage for Non-Medicare members					
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Retiree Only:										
Retiree With Medicare	\$265.87	\$305.30	\$293.11	\$335.25	\$68.00	\$68.00	\$215.00	\$215.00	\$0.00	\$0.00
Retiree Without Medicare	\$490.46	\$552.13	\$543.50	\$610.42	N/A	N/A	N/A	N/A	N/A	N/A
Retiree and Spouse:										
Retiree and Spouse With Medicare	\$641.13	\$722.13	\$690.65	\$776.55	\$216.00	\$216.00	\$510.00	\$510.00	\$80.00	\$80.00
Retiree and Spouse Without Medicare	\$974.83	\$1,088.86	\$1,055.02	\$1,176.99	N/A	N/A	N/A	N/A	N/A	N/A
Retiree With Medicare/Spouse Without Medicare	\$727.63	\$817.19	\$785.73	\$881.04	N/A	N/A	N/A	N/A	N/A	N/A
Spouse With Medicare/Retiree Without Medicare	\$727.63	\$817.19	\$785.73	\$881.04	N/A	N/A	N/A	N/A	N/A	N/A
Retiree and Spouse With Children:										
Retiree and Spouse With Medicare	\$975.18	\$1,090.81	\$1,054.27	\$1,177.73	N/A	N/A	N/A	N/A	N/A	N/A
Retiree and Spouse Without Medicare	\$1,138.97	\$1,270.82	\$1,231.49	\$1,372.50	N/A	N/A	N/A	N/A	N/A	N/A
Retiree With Medicare/Spouse Without Medicare	\$889.76	\$996.94	\$960.02	\$1,074.15	N/A	N/A	N/A	N/A	N/A	N/A
Spouse With Medicare/Retiree Without Medicare	\$889.76	\$996.94	\$960.02	\$1,074.15	N/A	N/A	N/A	N/A	N/A	N/A
Retiree, Spouse and Child With Medicare	\$975.18	\$1,090.81	\$1,054.27	\$1,177.73	\$364.00	\$364.00	\$805.00	\$805.00	\$160.00	\$160.00
Retiree and Children:										
Retiree With Medicare	\$602.41	\$677.70	\$652.38	\$732.61	N/A	N/A	N/A	N/A	N/A	N/A
Retiree Without Medicare	\$771.47	\$863.50	\$836.24	\$934.68	N/A	N/A	N/A	N/A	N/A	N/A
Retiree and Child With Medicare	\$602.41	\$677.70	\$652.38	\$732.61	\$216.00	\$216.00	\$510.00	\$510.00	\$80.00	\$80.00

DENTAL

	<i>United Health Care</i>			
	PPO Low Option Plan (choose any dentist)		PPO High Option Plan (choose any dentist)	
	2011	2012	2011	2012
Retiree Only	\$11.36	\$11.36	\$20.83	\$20.83
Retiree and One Dependent	\$33.74	\$33.74	\$51.11	\$51.11
Retiree and Family	\$66.28	\$66.28	\$91.61	\$91.61

VISION

	<i>Vision Benefits of America</i>	
	In or Out of Network Plan	
	2011	2012
Retiree Only	\$0.00	\$0.00
Retiree and One Dependent	\$2.26	\$2.26
Retiree and Family	\$4.97	\$4.97

Over, for Survivor Monthly Premiums...

Public School Retirement System of the City of St. Louis
Medical, Dental and Vision Insurance Plans

Survivor Monthly Premiums

Plan Year 2011 v. 2012

MEDICAL

MEDICAL

	UnitedHealthcare Point-of-Service (POS) Plan		UnitedHealthcare Point-of-Service (POS) Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan		Group Health Plan (GHP) Medicare Advantage HMO Plan	
	Base Plan ~ Includes nationwide provider network~		Buy Up Plan ~ Includes nationwide provider network~		Advantra St. Louis Area Low-Option HMO		Advantra St. Louis Area High-Option HMO		Advantra Gold St. Louis Area HMO	
	Medicare and Non-Medicare members				No Coverage for Non-Medicare members					
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Surviving Spouse or Child Only:										
Survivor With Medicare	\$345.87	\$385.30	\$373.11	\$415.25	\$148.00	\$148.00	\$295.00	\$295.00	\$80.00	\$80.00
Survivor Without Medicare	\$570.46	\$632.13	\$623.50	\$690.42	N/A	N/A	N/A	N/A	N/A	N/A
Surviving Spouse and Children:										
Survivor With Medicare	\$682.41	\$757.70	\$732.38	\$812.61	N/A	N/A	N/A	N/A	N/A	N/A
Survivor Without Medicare	\$851.47	\$943.50	\$916.24	\$1,014.68	N/A	N/A	N/A	N/A	N/A	N/A
Survivor and Child With Medicare	\$682.41	\$757.70	\$732.38	\$812.61	\$296.00	\$296.00	\$590.00	\$590.00	\$160.00	\$160.00

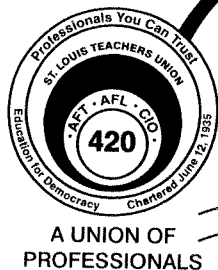
DENTAL

	<i>United Health Care</i>			
	PPO Low Option Plan (choose any dentist)		PPO High Option Plan (choose any dentist)	
	2011	2012	2011	2012
<i>Survivor Only</i>	\$17.31	\$17.31	\$26.78	\$26.78
<i>Survivor and One Dependent</i>	\$39.69	\$39.69	\$57.06	\$57.06
<i>Survivor and Family</i>	\$72.23	\$72.23	\$97.56	\$97.56

VISION

	<i>Vision Benefits of America</i>	
	In or Out of Network Plan	
	2011	2012
<i>Survivor Only</i>	\$2.72	\$2.72
<i>Survivor and One Dependent</i>	\$5.41	\$5.41
<i>Survivor and Family</i>	\$8.12	\$8.12

Over, for Member Monthly Premiums...



AFT ST. LOUIS, LOCAL 420

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December 12, 2011

Mary J. Armstrong
President

Yvette A. Levy
1st Vice President

Linda D. Bell
2nd Vice President

Chrisena Brown
Treasurer

Ray Cummings
*Vice President
Political Action*

Seth Blevans
*Vice President
Policy Enforcement*

Linda Holt Johnson
*Vice President
Membership*

Shirley Ann James
*Vice President
Leadership Development*

Anitra D. Arms
*Vice President
Professional Issues*

Calvin Riley
*Vice President
Certificated Employees*

Bobbie Richardson
*Vice President
Secretarial/Clerical Employees*

Shirley Morant
*Vice President
Paraprofessional Employees*

Linda LaHue
Retiree Liaison

Brenda Davis
*Chapter Chairperson
Paraprofessional Employees*

Patricia Laughlin
"Pat"
*Chapter Chairperson
Retirees*

To: Chair of the Trustees of the Public School Retirement System,
Trustees and Mr. Andrew Clark, Executive Director

From: Pat Laughlin, Chairperson
St. Louis Teachers Union Retirees, Local 420

Thank you for allowing me to speak to you this afternoon.

I am here today on behalf of the members of the St. Louis Teachers Union Retiree Chapter.

- We understand that the country has been going through a deep recession since 2008.
- We understand that the Trustees have a fiduciary duty to keep watch over the funds.
- We understand that COLAs are an additional expense.
- We understand that the law has been changed since 2007 that allows the Trustees to grant a COLA.

BUT, now we also understand that the St. Louis Public Schools are set to receive an additional \$96 million from the state of Missouri desegregation case. This money is to be spent for many programs.

This should free up monies in the General Operating Budget (GOB) to grant Retirees an increase in payment or grant a COLA.

We are requesting that the Board of Trustees vote for: a Cost of Living Adjustment for the present Retirees, raising the benefits stipend to \$160.00 from \$80.00 per member, and/or a one-time bonus check that would be non-recurring.

We would like to request a meeting with representatives from Local 420 Retirees, AFT St. Louis, the Board of Trustees and Mr. Clark to discuss options.

We ask that our requests be considered and **voted on**.

Thank you,

A handwritten signature in cursive script that reads "Pat Laughlin". The signature is fluid and elegant, with the first letters of "Pat" and "Laughlin" being capitalized and prominent.

Pat Laughlin

PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
3641 OLIVE STREET, SUITE 300 ♦ ST. LOUIS, MO 63108-3601

OFFICE OF THE
EXECUTIVE DIRECTOR

PHONE: (314) 534-7444
FAX: (314) 533-0531

December 13, 2011

Ms. Pat Laughlin, Chairperson
St. Louis Teachers Union, Local 420 Retirees
c/o 6571 Lindenwood Place
St. Louis, MO 63109

RE: Response to Memo Dated December 12, 2011

Dear Ms. Laughlin:

I am responding to the memo you presented to the Board of Trustees at the last regular board meeting on December 12, 2011. In your memo, you state similar concerns you expressed in a memo you presented to the Trustees at a meeting on June 20, 2011. Unfortunately for our retirees, the situation remains the same and until an increase in benefits will not require an increase in the contribution rate for members, will not increase contributions from the board of education, and the Actuary can make a recommendation that an increase is actuarially sound, an increase in retiree benefits is unfeasible.

I'm sure you are aware that although closely tied, SLPS and the retirement system are separate entities so we have no control or say over any funding issues or recommendations to the school district. If you feel part of the additional funding at the school district you mention in your letter could be used for retirement purposes, I would suggest you contact them directly.

You mention a one-time 13th check as a possible solution. A 13th check would cost the retirement system \$8.3 million in additional benefits that has not been funded or accounted for by the Actuary. I made you aware of the retirement system's actuarial funding ratio of 84.7% in my last letter to you dated June 22, 2011. This ratio means there are no additional monies available to pay for an increase in benefits of any kind.

Again, I would like to see our retirees awarded an increase in pension benefits if the situation warranted one. However, this will not or cannot occur until the actuarial soundness of the retirement system improves substantially.

Sincerely,

"FILE COPY"

Andrew Clark
Executive Director

Cc: Board of Trustees

PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
3641 OLIVE STREET, SUITE 300 ♦ ST. LOUIS, MO 63108-3601

OFFICE OF THE
EXECUTIVE DIRECTOR

PHONE: (314) 534-7444
FAX: (314) 533-0531

June 22, 2011

Ms. Pat Laughlin, Chairperson
St. Louis Teachers Union, Local 420 Retirees
c/o 6571 Lindenwood Place
St. Louis, MO 63109

RE: Response to Memo Dated June 20, 2011

Dear Ms. Laughlin:

I am responding to the memo you presented to the Board of Trustees at the last regular board meeting on June 20, 2011. In your memo, you express concern over the lack of additional benefits for retirees by referring to several statutes added by the State of Missouri in 2007. It is mandated within these statutes that the board of trustees may authorize additional benefits provided it will not require an increase in the contribution rate for members, will not increase contributions from the board of education, and is actuarially sound.

As presented by the Actuary during the last meeting, the retirement system has a current actuarial funding ratio of 84.7%, which means there is not a surplus of assets to support an increase in benefits. So, the board of trustees must rule out actuarial soundness to fund additional pension benefits and, instead, must turn to the fundamental formula that determines, on an actuarial basis, how current pension obligations will be funded. The formula is Investments + Contributions = Pension Benefits; therefore, an increase in pension benefits would require an increase in either investments or contributions to equalize the formula. Because investments and performance are not constant, there would need to be an increase in contributions to fund an increase in pension benefits. The statute clearly mandates that an increase in contributions from either employers or members is strictly prohibited.

Another way to look at the picture is this; all members make contributions that entitle them to a retirement benefit that did not include a cost component to fund additional benefits during retirement. In order for the retirement system to fund any increase in benefits, the additional cost must be funded in advance or the retirement system would eventually be unable to meet its future pension obligations. Additionally, the Board of Trustees must practice its fiduciary responsibility on behalf of all members by exemplifying prudence when it comes to spending system assets.

I would like to see our retirees awarded an increase in pension benefits if the situation warranted one. However, this will not occur until the actuarial soundness of the retirement system improves substantially.

Sincerely,

FILE COPY

Andrew Clark
Executive Director

Cc: Board of Trustees

APPLICATIONS FOR RETIREMENT

NAME \ POSITION	RETIREMENT DATE	TYPE	CREDITED SERVICE	FINAL AVG SALARY	MONTHLY BENEFIT
Bennie Clark Librarian	Sept 1, 2011	Normal	12.0667	\$78,824.68	\$1,585.26
Gloria Hamilton Parent Support Specialist	Sept 1, 2011	Early	9.6333	\$25,106.34	\$324.71
Lawrence Johnson Custodian	Sept 1, 2011	Early	9.0424	\$31,839.28	\$313.49
Deborah Jones Supervisor	Sept 1, 2011	Normal	25.1451	\$70,258.82	\$2,944.44
Rose Jones Secretary	Sept 1, 2011	Early	14.6522	\$34,058.56	\$554.46
Vicki Kahlert Teacher	Sept 1, 2011	Disability	23.5332	\$64,958.77	\$2,547.81
Mai-Lin Korynta Librarian	Sept 1, 2011	Normal	11.8833	\$80,206.17	\$1,394.72
Judith Nador Librarian	Sept 1, 2011	Normal	22.1722	\$86,613.12	\$2,666.16
Sandra Polanc Early Childhood Coordinator	Sept 1, 2011	Early	10.1155	\$47,427.08	\$652.98
Rosa Rowden Teacher	Sept 1, 2011	Normal	33.1388	\$80,311.42	\$4,015.57
Sharon Ryan Research Analyst	Sept 1, 2011	Normal	10.8195	\$44,050.08	\$496.46

To be Authorized and Approved
by the Board of Trustees

APPLICATIONS FOR RETIREMENT

NAME \ POSITION	RETIREMENT DATE	TYPE	CREDITED SERVICE	FINAL AVG SALARY	MONTHLY BENEFIT
Valerie Taylor Teaching & Learning Facilitator	Sept 1, 2011	Normal	24.5463	\$92,756.98	\$3,794.73
Michael Townsend Teacher	Sept 1, 2011	Early	18.9722	\$60,810.50	\$2,459.78

APPLICATIONS FOR RETIREMENT

NAME \ POSITION	RETIREMENT DATE	TYPE	CREDITED SERVICE	FINAL AVG SALARY	MONTHLY BENEFIT
Gary Anderson Instructional Care Aide	Oct 1, 2011	Early	10.1056	\$27,207.88	\$376.78
Kim Gill Teacher	Sept 1, 2011	Normal	29.0211	\$65,548.53	\$3,170.48
Mary Ann Kerber Teacher	Oct 1, 2011	Normal	16.0722	\$65,659.55	\$1,758.82
Richard Knoff Mechanical Engineer	Oct 1, 2011	Normal	17.3904	\$61,443.07	\$1,780.87
M Kathryn Lamb Teacher	Oct 1, 2011	Normal	12.7873	\$82,962.54	\$1,768.11
Catherine Reed Teacher Aide	Oct 1, 2011	Normal	36.7333	\$31,158.96	\$1,557.95
Harriet Tiffany Teacher	Oct 1, 2011	Normal	6.1745	\$61,268.44	\$520.79

Distributions - October 2011

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES
066195	09/21/11	PARKER	ROBYN	(2,334.91)	(466.98)	(1,867.93)	A	S	VOID & REISSUE
066236	09/30/11	JASON	DELFAYE	(2,400.43)		(2,400.43)	A	S	VOID & REISSUE
066268	10/07/11	COLLINS	TAMMY	3,746.16	749.23	2,996.93	A	S	
066269	10/07/11	EKERN	MICHELLE	7,031.69		7,031.69	A	S	
066270	10/07/11	HOLLIE	QUONISHA	7,185.11	1,437.02	5,748.09	A	S	
066272	10/07/11	JENKINS	KEMBERLEY	1,358.08	271.62	1,086.46	A	S	
066273	10/07/11	JONES	BRENDA M	378.68	75.74	302.94	A	S	
066274	10/07/11	KIM	HYEWON	4,465.63	893.13	3,572.50	A	S	
066275	10/07/11	POWELL-BROWN	CINDY K	1,196.06		1,196.06	A	S	
066277	10/07/11	STERLEY	JOSEPHINE	45,658.70	4,565.87	41,092.83	A	D	DEC: ALICE TERRELL
066278	10/07/11	JAMES	DANIEL S	42.86		42.86	A	S	
066279	10/07/11	SANDERS III	ARTHUR	55,980.97	5,145.52	50,835.45	A	D	DEC: DELORES SANDERS
066280	10/07/11	CASEY	BRIAN	5,926.49	1,185.30	4,741.19	A	S	
066281	10/07/11	EBRON	MICHAEL L	8,072.59	1,614.52	6,458.07	A	S	
066282	10/07/11	HAENCHEN	CHRISTAL	8,282.14	1,656.43	6,625.71	A	S	
066283	10/07/11	HARTLEY	ANDREA	2,056.82	0.00	2,056.82	A	S	
066284	10/07/11	LEOPOLD	CHANTE	1,275.20	255.04	1,020.16	A	S	
066285	10/07/11	NASHVILLE	TIFFANY	12,000.00	0.00	12,000.00	A	S	
066286	10/07/11	NASHVILLE	TIFFANY	1,633.02	326.60	1,306.42	A	S	
066287	10/07/11	PARKER	ROBYN	2,334.91	0.00	2,334.91	A	S	VOID & REISSUE
066288	10/07/11	ROBICHAUX	LORIN	7,463.93	0.00	7,463.93	A	S	
066289	10/07/11	TAYLOR	MARILYN	4,076.91	0.00	4,076.91	A	S	
066290	10/07/11	TIMPE	SAMANTHA	1,850.00	370.00	1,480.00	A	S	
066291	10/07/11	VANSCOYK	RICHARD	1,856.85	371.37	1,485.48	A	S	
066292	10/07/11	WATKINS	SYLVIA	4,370.79	874.16	3,496.63	A	S	
066293	10/13/11	BALDWIN	DORIA	1,023.90	204.78	819.12	A	S	
066294	10/13/11	BERNARD	HELEN	4,943.04	988.61	3,954.43	A	S	
066295	10/13/11	CALISTRO	GINA	3,835.62	0.00	3,835.62	A	S	
066296	10/13/11	CLUNE	KATHRYN	11,176.21	0.00	11,176.21	A	S	
066297	10/13/11	HAGEN	KYLE	1,800.61	0.00	1,800.61	A	S	
066298	10/13/11	HURD	KAREN	6,105.76	1,221.15	4,884.61	A	S	
066299	10/13/11	LIDDELL	MICHAEL L	347.24	69.45	277.79	A	S	
066300	10/13/11	MCGINN	MARY KATE	2,011.07	0.00	2,011.07	A	S	
066301	10/13/11	MEYER	HELEN C	212.55	42.51	170.04	A	S	
066302	10/13/11	SCHROEDER	TINA	7,465.28	0.00	7,465.28	A	S	

Distributions - October 2011

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES
066303	10/13/11	STAPLETON	SHAUNA	3,764.82	0.00	3,764.82	A	S	
066304	10/13/11	VIVIANO	CARRIE	4,826.96	0.00	4,826.96	A	S	
066305	10/14/11	IBRAHIM	HABIBA	1,470.33	294.07	1,176.26	A	S	
066306	10/14/11	PRESIDENT	ANTWANE	2,377.60	475.52	1,902.08	A	S	
066307	10/14/11	SCHNALL	ELANA	4,487.65		4,487.65	A	S	
066308	10/19/11	BUSH	JELANI	1,031.11	206.22	824.89	A	S	
066309	10/19/11	GRAHAM	SHONTAY	6,108.40	1,221.68	4,886.72	A	S	
066310	10/19/11	HATCHETT	JESSICA	1,686.56	337.31	1,349.25	A	S	
066311	10/19/11	HOLLIDAY	GREGORY	1,196.98	239.40	957.58	A	S	
066312	10/19/11	HOTZE	GAIL	10,270.08	0.00	10,270.08	A	S	
066313	10/19/11	MERRITT	HANNAH	4,290.12	0.00	4,290.12	A	S	
066342	10/21/11	ANDERSON	LAURIE J	41,133.84		41,133.84	A	S	
066343	10/21/11	FULLER	TAMARA E	22,703.57		22,703.57	A	S	
066344	10/21/11	HERZOG	STEPHANY	977.43	195.49	781.94	A	S	
066345	10/21/11	HOCH	RYAN	4,463.23		4,463.23	A	S	
066346	10/21/11	KOCH	JANET	15,768.52	3,153.70	12,614.82	A	S	
066347	10/21/11	LEE	PHILIP J	12,753.14	2,550.63	10,202.51	A	S	
066348	10/21/11	LUCKETT	TIFFANY	4,453.99	890.80	3,563.19	A	S	
066349	10/21/11	MILLER	JAYSON	2,717.79	543.56	2,174.23	A	S	
066350	10/21/11	MUSCA	KATHLEEN	5,816.86		5,816.86	A	S	
066351	10/21/11	QUINN	JOANNA	140.74		140.74	A	S	
066352	10/21/11	SERIO	MELISSA A	4,686.35	937.27	3,749.08	A	S	
066353	10/21/11	WARREN	VICTORIA	94.40		94.40	A	S	
066354	10/21/11	HIXSON	MIRIAM	44,605.39	4,460.54	40,144.85	A	D	DEC: SANDRA SCHWENEKE
066355	10/21/11	JASON	DELFAYE	2,400.43		2,400.43	A	S	VOID & REISSUE
066357	10/28/11	BRANDING	KRISTA	2,500.47	500.09	2,000.38	A	S	
066358	10/28/11	HAMMEN	GREGORY	8,964.18	1,792.84	7,171.34	A	S	
066359	10/28/11	HARRIS	ROMIE A	4,732.65		4,732.65	A	S	
066360	10/28/11	TEJADA	LUIS	2,321.75	464.35	1,857.40	A	S	
066361	10/28/11	KISER-JAIME	MADELINE	1,532.44	306.49	1,225.95	A	S	
066362	10/28/11	MARTIN	JENNIFER	7,548.36	1,509.67	6,038.69	A	S	
066363	10/28/11	SHELTON	APRIL	8,235.47	0.00	8,235.47	A	S	
066365	10/28/11	WALKER, SR	KENRIC	4,273.28	854.66	3,418.62	A	S	
TOTAL				\$ 466,764.42	\$ 42,785.36	\$ 423,979.06			

Distributions - November 2011

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES
066097	09/02/11	JAMES	MEGAN A	(11,304.42)		(11,304.42)	A	S	VOID & REISSUE
066285	10/07/11	NASHVILLE	TIFFANY	(12,000.00)		(12,000.00)	A	S	VOID & REISSUE
066366	11/04/11	BRYANT	BRENDA L	15,771.17	3,154.23	12,616.94	A	S	
066367	11/04/11	COOKE	ASHLEI	4,453.41		4,453.41	A	S	
066368	11/04/11	GNATEK	JOSEPH J	27,959.33	5,591.87	22,367.46	A	S	
066369	11/04/11	KOZAK-ROBINSON	VICTORIA	10,915.25	2,183.05	8,732.20	A	S	
066370	11/04/11	MC GEE	NANCY	1,505.26		1,505.26	A	S	
066371	11/04/11	YOUNG	JULIUS	10,000.00		10,000.00	A	S	
066372	11/04/11	YOUNG	JULIUS	11,289.63	2,257.93	9,031.70	A	S	
066373	11/04/11	NASHVILLE	TIFFANY	12,000.00		12,000.00	A	S	VOID & REISSUE
066374	11/04/11	JAMES	MEGAN A	11,304.42		11,304.42	A	S	VOID & REISSUE
066375	11/04/11	BELLINGER	CYNTHIA	499.65	99.93	399.72	A	S	
066376	11/04/11	GOSS	HEATHER	2,008.99		2,008.99	A	S	
066377	11/04/11	SPENCER	DALILA	3,754.00	750.80	3,003.20	A	S	
066379	11/04/11	YANCEY	MARJORIE	198.57		198.57	A	S	
066380	11/04/11	VAUGHN	CLAUDETTE	23,024.92	4,604.98	18,419.94	A	S	
066410	11/08/11	ANDREWS	GARY	1,636.72	327.34	1,309.38	A	S	
066411	11/08/11	ANDREWS	RICHARD	6,437.51	1,287.50	5,150.01	A	S	
066412	11/08/11	KIRCHOFF	JANA	2,094.80	418.96	1,675.84	A	S	
066413	11/08/11	LOGAN	CHARLES	3,060.57	612.11	2,448.46	A	S	
066414	11/08/11	MAYHO	KENYA	8,143.06	1,628.61	6,514.45	A	S	
066415	11/08/11	ROACH	JENNIFER	5,791.26	1,158.25	4,633.01	A	S	
066416	11/08/11	WILLIAMS	TEENE	1,987.66	397.53	1,590.13	A	S	
066417	11/10/11	BROWN	LATONYA	10,007.95	2,001.59	8,006.36	A	S	
066419	11/10/11	PURCELL	CARLINDA	18,884.66	3,776.93	15,107.73	A	S	
066420	11/10/11	WHITE	ANTONIO B	1,256.90	251.38	1,005.52	A	S	
066421	11/10/11	MEINERT	MATTHEW L	5,100.79		5,100.79	A	S	
066422	11/16/11	ALLEN	JAMES L	2,010.57	402.11	1,608.46	A	S	
066423	11/16/11	AVANT	JESSICA	7,359.70		7,359.70	A	S	
066424	11/16/11	DANIEL	JENNIFER	4,716.02		4,716.02	A	S	
066425	11/16/11	HENNEBOEHLE	KELSEY	7,663.83		7,663.83	A	S	
066426	11/16/11	LANE	LOUIS	294.46	58.89	235.57	A	S	
066427	11/16/11	MACCLENAGHAN	ELIZABETH	4,407.57	881.51	3,526.06	A	S	
066428	11/18/11	FUTRELL	JAMES S	42,711.88	8,542.38	34,169.50	A	S	

Distributions - November 2011

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES
066429	11/18/11	LEWIS	TAMMARRA L	554.17	110.83	443.34	A	S	
066430	11/18/11	LOOMIS	KIMBERLY	2,960.18		2,960.18	A	S	
066431	11/18/11	POWERS	DEREK	5,807.85	1,161.57	4,646.28	A	S	
066432	11/18/11	SANDERS	VERNETTA	3,774.67	754.93	3,019.74	A	S	
066458	11/29/11	ANDERSON	MICHAEL	3,833.76		3,833.76	A	S	
066459	11/29/11	EARLY	ANGELA	3,324.30		3,324.30	A	S	
066460	11/29/11	GRASSO	DANIELLE	1,912.77		1,912.77	A	S	
066461	11/29/11	LANE	LAURA	2,245.99	449.20	1,796.79	A	S	
066462	11/29/11	LEE	SIKINA	4,618.40	923.68	3,694.72	A	S	
066463	11/29/11	MCKINNEY	PATRICK	262.75	52.55	210.20	A	S	
066464	11/29/11	UNION	LORI	2,264.71	452.94	1,811.77	A	S	
TOTAL				\$ 276,505.64	\$44,293.58	\$ 232,212.06			

Public School Retirement System of the City of St. Louis
Checks Written During the Month of October, 2011

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Date Paid October 5, 2011			
Ameren UE	66249	Electric Service	1,307.89
Sungard Availability Services, LP	66250	Hosting Services Bundle	995.00
Longfellow Benefits	66251	Group Insurance Consulting Services	3,162.00
BuildingStars STL Operations, Inc.	66252	Janitorial Services	1,892.33
PMI Computer Supplies	66253	Office Supplies	222.85
Eazy Business Mailers, Inc.	66254	Service & Postage, Newsletter	3,619.00
Bartley Goffstein, L.L.C	66255	Legal Fees	4,318.75
Mulligan Printing Company	66256	2010 Annual Report Summary and Envelopes	9,377.00
MSD	66257	Sewer Service	176.11
AT&T Long Distance	66258	Long Distance Service	1.89
Blade Technologies, Inc.	66259	Professional Services	715.00
Shred-It	66260	Paper Shredding	125.00
Gregory F.X. Daly, Collector of Revenue	66261	City Earnings Tax - Third Quarter	1,275.41
Allied Waste Services #346	66262	Trash Pick-Up	283.27
CBRE Technical Services	66263	Engineer Services	367.50
Andrew Clark	66264	Miscellaneous Trustee Expense	40.22
Board of Education St. Louis Benefits Trust	66265	Office Employees Insurance - Dental	234.10
Board of Education St. Louis Benefits Trust	66266	Office Employees Insurance - Vision	16.90
Board of Education St. Louis Benefits Trust	66267	Office Employees Insurance - Life	117.55
Date Paid October 7, 2011			
Office Payroll	ACH	Office Payroll	11,957.01
AXA Equitable	ACH	457 Contributions	1,138.46
Date Paid October 20, 2011			
St. Louis Record Center	66314	October Storage	88.91
Absopure Water Company	66315	Water Cooler Service	81.80
Buck Consultants, LLC	66316	Actuarial Consulting Services - Sept. and Oct.	13,266.00
AT&T	66317	Monthly Service Charge 314-652-1704 033 4	207.72
AT&T	66318	Monthly Service Charge 314-534-7444 631 1	907.39
AT&T Long Distance	66319	Long Distance Service	1.38
PMI Computer Supplies	66320	Office Supplies	498.18
Eazy Business Mailers, Inc.	66321	Postage, Election Notice, Healthcare Memo	3,530.26
Minuteman Press	66322	Medicare Plan Summary, Enrollment Booklets	6,732.74
Purchase Power	66323	Postage	1,000.00
Huber, Ring, Helm & Co. P.C.	66324	Professional Services - Trustee Elections	5,503.00
Hi-Tech Security, Inc.	66325	Security Guard 10/17/2011	144.00
Jupiter Consulting Services, LLC	66326	Programming Consulting	3,906.00
Access Courier, Inc.	66327	Courier Service	45.83
BarnesCare	66328	Maline Cole, Charlene Evans	200.00
St. Louis Post Dispatch	66329	Display Ad - Information System Position	2,291.00
Andrew Clark	66330	Miscellaneous Trustee Expense	47.85
CBRE	66331	Building Management - October 2011	1,027.72
St. Louis Mat & Linen Company	66332	Floor Mats	32.00
Systematic Financial Management LP	66333	3rd Quarter 2011 Management Fee	43,409.18
Monetary Management Group, Inc.	66334	3rd Quarter 2011 Management Fee	55,083.24
Buford, Dixon, Harper & Sparrow, Inc.	66335	3rd Quarter 2011 Management Fee	21,523.68
EARNEST Partners, LLC	66336	3rd Quarter 2011 Management Fee	13,463.00
Loomis, Sayles & Company, L.P.	66337	3rd Quarter 2011 Management Fee	46,037.17
Pyramis Global Advisors Trust Company	66338	3rd Quarter 2011 Management Fee	60,836.17
Manulife Asset Management U.S. LLC	66339	3rd Quarter 2011 Management Fee	38,111.67

Public School Retirement System of the City of St. Louis Checks Written During the Month of October, 2011
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<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Mellon Capital Management Corporation	66340	3rd Quarter 2011 Management Fee	1,327.52
Mellon Capital Management Corporation	66341	3rd Quarter 2011 Management Fee	73,331.73

Date Paid October 21, 2011

St. Louis Parking Company	66356	September Parking	220.00
Office Payroll	ACH	Office Payroll	12,059.51
AXA Equitable	ACH	457 Contributions	988.46
			<hr/>
		TOTAL	<u><u>\$447,246.35</u></u>

Public School Retirement System of the City of St. Louis
Checks Written During the Month of November, 2011

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Date Paid November 4, 2011			
Office Payroll	ACH	Office Payroll	12,059.51
AXA Equitable	ACH	457 Contributions	988.43
Date Paid November 7, 2011			
Ameren UE	66381	Electric Service	761.36
Sungard Availability Services, LP	66382	Hosting Services Bundle	995.00
Longfellow Benefits	66383	Group Insurance Consulting Services	3,162.00
BuildingStars STL Operations, Inc.	66384	Janitorial Services	1,244.77
Eazy Business Mailers, Inc.	66385	Service & Postage, Open Enrollment	5,037.60
Bartley Goffstein, L.L.C	66386	Legal Fees	2,085.75
Blade Technologies, Inc.	66387	Professional Services	3,460.00
Minuteman Press	66388	Non Medicare Plan Summary	875.64
Pensions & Investments Subscriber Services	66389	Subscription Renewals	2,230.00
Midwest Elevator Inspection Services	66390	Annual State Inspection - Pressure Test	155.00
Allied Waste Services #346	66391	Trash Pick-Up	313.01
SiteStuff, Inc.	66392	Supplies	7.67
CBRE	66393	Building Management - August and November	2,055.44
CBRE Technical Services	66394	Engineer Services	1,176.00
Delta Pest Stl. Inc.	66395	Pest Control	50.00
Tech Electronics, Inc.	66396	Central Monitoring of Fire Alarm System	87.00
Jarrell Mechanical Contractors	66397	HVAC Equipment Inspection - 3rd Quarter Billing	709.00
New Amsterdam Partners, LLC	66398	3rd Quarter 2011 Management Fee	21,019.18
The Edgar Lomax Company	66399	3rd Quarter 2011 Management Fee	38,115.20
INTECH Investment Management LLC	66400	3rd Quarter 2011 Management Fee	29,240.02
Westfield Capital Management Company, LP	66401	3rd Quarter 2011 Management Fee	41,111.99
Causeway Capital Management LLC	66402	3rd Quarter 2011 Management Fee	53,790.28
Mondrian Investment Partners Limited	66403	3rd Quarter 2011 Management Fee	55,043.84
Batterymarch Financial Management, Inc.	66404	3rd Quarter 2011 Management Fee	25,155.78
Chicago Equity Partners, LLC	66405	3rd Quarter 2011 Management Fee	38,135.48
US Bank	66406	3rd Quarter 2011 Custodial Fees	34,350.04
Board of Education St. Louis Benefits Trust	66407	Office Employees Insurance - Dental	234.10
Board of Education St. Louis Benefits Trust	66408	Office Employees Insurance - Vision	16.90
Board of Education St. Louis Benefits Trust	66409	Office Employees Insurance - Life	117.55
Date Paid November 18, 2011			
Office Payroll	ACH	Office Payroll	11,906.76
AXA Equitable	ACH	457 Contributions	1,213.46
Date Paid November 21, 2011			
St. Louis Record Center	66433	November Storage	88.91
Absopure Water Company	66434	Water Cooler Service	121.30
Buck Consultants, LLC	66435	Actuarial Consulting Services - Oct. and Nov.	10,960.00
AT&T	66436	Monthly Service Charge 314-652-1704 033 4	207.69
AT&T	66437	Monthly Service Charge 314-534-7444 631 1	945.33
AT&T Long Distance	66438	Long Distance Service	4.61
PMI Computer Supplies	66439	Office Supplies	334.40
Eazy Business Mailers, Inc.	66440	Postage and Service - Election Notice	2,692.56
Huber, Ring, Helm & Co. P.C.	66441	Professional Services - Trustee Elections	815.00
UPS	66442	UPS Shipping	36.55

Public School Retirement System of the City of St. Louis Checks Written During the Month of November, 2011

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
BuildingStars STL Operations, Inc.	66443	Janitorial Supplies	357.54
Purchase Power	66444	Postage	1,500.00
Pitney Bowes, Inc.	66445	Rental and Refill Charges	475.50
Konika Minolta Business Solutions USA Inc.	66446	Monthly Service	917.48
Tech Electronics, Inc.	66447	Service Call - Lenel OnGuard 32ES System	437.50
Mitel Technologies, Inc.	66448	Time Change Phone Service	46.00
Barracuda Networks, Inc.	66449	Barracuda Spam & Virus Firewall	1,148.00
SunGard Business Systems LLC	66450	Relius GF 1099W Renewal	325.00
American Solutions For Business	66451	1099R Forms and Envelopes	972.19
St. Louis Mat & Linen Company	66452	Floor Mats	32.00
Delta Pest Stl. Inc.	66453	Pest Control	50.00
Missouri Dept. of Public Safety - Elevator Unit	66454	Elevator Certificate	25.00
St. Louis Parking Company	66455	December Parking	220.00
NEPC, LLC	66456	3rd Quarter 2011 Consulting Fee	32,335.69
NEPC, LLC	66457	3rd Quarter 2011 Alt. Investment Mgmt. Fee	12,500.00
		TOTAL	<u><u>\$454,452.01</u></u>

Public School Retirement System of the City of St. Louis
3641 Olive Street, 2nd Floor Boardroom
St. Louis, MO 63108
Voice: (314) 534-7444
Fax: (314) 534-0531
Website: <http://www.psrstl.org>

**BOARD OF TRUSTEES
REGULAR MEETING SCHEDULE
CALENDAR YEAR 2012**

Unless otherwise posted, trustee meetings are conducted in the Boardroom on the 2nd floor of the Retirement System's office building (address above)

February 27, 2012

April 16, 2012

June 18, 2012

August 27, 2012

October 15, 2012

December 17, 2012

Public School Retirement System of the City of St. Louis, Missouri

Experience Analysis . December 12, 2011



Executive Summary

Periodically review systems & actuarial assumptions

- “ Compile data and compare actual experience with our assumptions
- “ Goal is to ensure assumptions are consistent with actual participant behavior
- “ Ensure predictive value of actuarial valuations
- “ Detailed study generally performed every five years
 - . We analyzed experience during 2006 . 2010, prior study considered 2000 . 2005
- “ Demographic assumptions . rates of retirement, termination, mortality, etc.
 - . Relatively stable, recommendations are generally fine-tuning of assumptions
- “ Economic assumptions . expected salary scale, inflation, asset return

Considerations in making recommendations

- “ Past experience is an important predictor, but judgments must be made
- “ Careful to consider factors that might make future different from the past
- “ Consider experience from prior experience study periods as well

Post-Retirement Mortality

Summary

- “ Current assumption is RP-2000 Combined Healthy
 - . Based on mortality applicable to year 2000
- “ Mortality has steadily improved over time
 - . Current table doesn't assume future improvement in mortality
 - . Actuarial Standards Board now more or less requires projected improvement
- “ Actual deaths very close to the expected number during study period

Recommendation

- “ Project mortality improvement
 - . Overestimating mortality causes significant funding problems since increased costs emerge after retirement and can only be paid for as a percentage of future payroll
- “ Use table mandated for private sector pension plans
- “ Increase in required employer contribution is 1.41% of active payroll

Post-Disability Mortality

Summary

- “ Current assumption is RP-2000 Combined Annuitant with five-year set forward
- “ Experienced more deaths per year than assumed
- “ Small sample sizes limit data credibility
- “ There are tables specifically constructed for disability mortality

Recommendation

- “ Change assumption to RP-2000 Disabled Mortality
 - . Mortality table specifically for disabled members is generally more accurate than adjusting a table meant for healthy members
- “ Decrease in required employer contribution is (0.14)% of active payroll

Retirement

Summary

- “ Current rates age-based, with 25% rate at first Rule of 85 & 30 years service
- “ Impact of various items
 - . Members with Rule of 85 retire at higher rates in all years, not just first year eligible
 - . Members with Rule of 85 retire at higher rates with less than 30 years service too
 - . No increase in retirement rates upon reaching 30 years of service
- “ Overall retirement rates higher than expected
 - . True of prior study too
 - . Prior study recommended no change because of early retirement windows, etc.
 - . Seems prudent to increase rates with 10 years of supporting data

Recommendation

- “ Assume higher rates for those qualifying for Rule of 85
- “ Minor adjustment to age-based retirement rates to better fit experience
- “ Move 100% retirement age to 72
- “ Increase in required employer contribution is 1.17% of active payroll

Retirement . Recommended Change

<u>Age</u>	<u>Current Assumption*</u>	<u>Rule of 85 Proposed</u>	<u>Not Rule of 85 Proposed</u>
55 . 58	5.0%	20.0%	N/A
59	7.5%	20.0%	N/A
60	7.5%	20.0%	10.0%
61	12.5%	20.0%	15.0%
62	25.0%	25.0%	20.0%
63	17.5%	25.0%	17.5%
64	25.0%	25.0%	20.0%
65	35.0%	35.0%	35.0%
66	20.0%	20.0%	20.0%
67	20.0%	20.0%	20.0%
68	20.0%	20.0%	20.0%
69	25.0%	20.0%	20.0%
70 . 71	100.0%	30.0%	30.0%
72	100.0%	100.0%	100.0%

*But not less than 25% at first eligibility for Rule of 85

Withdrawal

Summary

- “ System experiencing high withdrawal
 - . Total withdrawal 80% higher than expected this study, 100% higher last study
 - . Prior study recommended no change because of layoffs, etc., but now 10 years supporting higher rates
- “ Charter versus board
 - . Currently assumes higher charter turnover in first few years, same later
 - . Data says charter has less turnover in first few years, more later
 - . May reflect sizing pressures in board
- “ Table structure
 - . Currently using select and ultimate with 3 year select period
 - . Data suggests short-service members terminate at higher rates beyond 3 years
 - . Data also suggests rates are low

Recommendation

- “ Increase age-based assumed rates roughly 25% across the board
- “ Use 5 year select period rather than 3, move rates in the direction of experience
- “ Impact on required employer contribution is (0.09)% of active payroll

Withdrawal . Recommended Change Select Period

<u>Service</u>	<u>Charter Assumption</u>	<u>Charter Proposed</u>	<u>Board Assumption</u>	<u>Board Proposed</u>
0	50.0%	30.0%	17.5%/15.0%	25.0%
1	25.0%	25.0%	15.0%/12.5%	20.0%
2	15.0%	20.0%	10.0%/10.0%	15.0%
3	age based	15.0%	age based	12.5%
4	age based	10.0%	age based	10.0%
5+	age based	age based	age based	age based

Board currently uses separate rates for males/females

Withdrawal . Recommended Change Ultimate Period

<u>Age</u>	<u>Current Assumption</u>	<u>Proposed Assumption</u>
20	15.0%	18.5%
25	12.5%	15.5%
30	9.0%	11.0%
35	7.0%	9.0%
40	6.0%	7.5%
45	3.0%	4.0%
50	2.0%	2.5%
55	1.5%	2.0%
60	1.0%	1.5%

Table shows sample ages only

Other Assumptions

Other demographic assumptions have little impact on valuation

- “ Disability
 - . Occurs infrequently, not enough data to suggest changes
- “ Percentage married, age difference, and family structure
 - . Small impact, limited data
 - . Initially set based on social security data for entire country
- “ Recommend no change to these

Economic Assumptions

Current assumptions

- “ Inflation: 3%
- “ Salary increases: 4.5%
- “ Investment return: 8.0% net of expenses

Comments

- “ These are meant to be long term assumptions
 - . Reasonable expectation for the future more important than recent experience
- “ Many plans use age or service weighted salary scales
 - . Experience for this system (this and prior study) does not support this
- “ Buck's long-term capital models finds the current asset allocation consistent with the assumed investment return
- “ A range of reasonable assumptions exist for economic considerations
 - . The existing assumptions are not the only reasonable assumptions, but do still remain reasonable

Recommendation: No change

Total Cost Impact of Proposed Changes

Based on January 1, 2011 Valuation Results

	<u>Before</u>	<u>After</u>	<u>Net Change</u>
Normal cost contributions	\$ 14.5	\$ 15.2	\$ 0.7
Actuarial accrued liability contribution	\$ 11.4	\$ 15.6	\$ 4.2
Annual required contribution (ARC)	\$ 25.9	\$ 30.8	\$ 4.9
Covered compensation	\$ 218.3	\$ 218.3	\$ 0.0
ARC as a % of covered compensation	11.88%	14.13%	2.25%

Dollar amounts in millions

Questions?

Acceptance of Experience Analysis

TRAVEL EXPENSES
APPROVED BY THE BOARD OF TRUSTEES
December 12, 2011

The following travel expenses were approved by the Board of Trustees at a meeting on December 12, 2011.

<u>Trustee</u>	<u>Sponsor</u>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Location</u>	<u>Expenses</u>
Christina Bennett	NASP	06/13/2011	06/16/2011	Los Angeles, CA	1,894.25
Joe Clark	NCTR	10/09/2010	10/14/2010	San Antonio, TX	2,795.44
Joe Clark	NEPC	05/17/2011	05/19/2011	Boston, MA	1,122.51
Joe Clark	NASP	06/13/2011	06/15/2011	Los Angeles, CA	2,267.20
Mona Lawton	NASP	06/13/2011	06/15/2011	Los Angeles, CA	1,982.94
Helen Lynch	NASP	06/13/2011	06/15/2011	Los Angeles, CA	2,945.02
Thaha Menkara	NASP	06/13/2011	06/15/2011	Los Angeles, CA	2,654.12
Andrew Clark	NEPC	05/15/2011	05/20/2011	Boston, MA	<u>1,159.20</u>
				2010 & 2011	\$16,820.68

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

2012 Operating Budget



December 12, 2011

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

	2008	2009	2010	2011				2012				
DESCRIPTION	ACTUAL EXPENSES	ACTUAL EXPENSES	ACTUAL EXPENSES	BUDGETED	PROJECTED	BUDGET VARIANCE	EXPLANATION IF VARIANCE +/- 10%	BUDGET	INCREASE (DECREASE)		NOTES	
SALARIES	\$504,438	\$491,883	530,177	\$530,876	\$513,843	(\$17,033)	-3%		\$477,639	(53,237)	-10.0%	
EMPLOYEE BENEFITS	155,679	152,077	157,417	177,586	169,283	(8,303)	-5%		185,518	7,932	4.5%	
INVESTMENT MANAGEMENT FEES	4,080,752	3,359,906	3,674,494	3,697,980	3,480,212	(217,768)	-6%		3,510,570	(187,410)	-5.1%	
CUSTODIAN SERVICES	210,608	162,934	153,643	159,520	154,394	(5,126)	-3%		148,290	(11,230)	-7.0%	
INVESTMENT CONSULTING	183,532	174,409	191,142	191,200	193,809	2,609	1%		187,057	(4,143)	-2.2%	
ACTUARIAL SERVICES	191,810	150,940	162,759	150,000	143,917	(6,083)	-4%		150,000	No Change	0.0%	
LEGAL SERVICES	57,407	55,169	61,845	77,500	76,481	(1,019)	-1%		77,500	No Change	0.0%	
AUDITING SERVICES	40,505	41,119	47,961	42,500	41,180	(1,320)	-3%		43,500	1,000	2.4%	
TRUSTEE ELECTIONS	33,731	38,500	30,507	56,588	40,164	(16,424)	-29%	Active: 4 notices, no ballots	58,816	2,228	3.9%	Expect four elections
TECHNOLOGY SERVICES	138,842	56,658	54,208	43,835	40,555	(3,280)	-7%		111,740	67,905	154.9%	See Technology Budget
DISABILITY EXAMINATIONS	600	843	700	2,000	900	(1,100)	-55%	Exams ⚡ projected	2,000	No Change	0.0%	
PROPERTY MGMT & UTILITIES	99,259	85,344	114,579	114,641	112,332	(2,309)	-2%		114,709	68	0.1%	
POSTAL SERVICES	55,563	47,852	52,022	57,846	53,783	(4,063)	-7%		50,600	(7,246)	-12.5%	
PRINTING & OFFICE SUPPLIES	53,752	55,298	49,035	50,240	49,344	(896)	-2%		50,385	145	0.3%	
EQUIPMENT & MAINTENANCE	25,105	16,519	22,678	43,375	24,281	(19,094)	-44%	Carry into 2012	55,525	12,150	28.0%	See Technology Budget
SURETY BOND/INSURANCE	96,668	81,685	82,861	87,575	78,108	(9,467)	-11%	Fiduciary ⚡ expected	84,050	(3,525)	-4.0%	
TRUSTEE EDUCATIONAL EXPENSES	27,969	25,848	25,871	36,000	18,107	(17,893)	-50%	Less Trustee Participation	36,000	No Change	0.0%	
HEALTH CARE PREMIUM ASSISTANCE	2,819,946	2,832,488	2,846,314	3,089,289	2,868,483	(220,806)	-7%		2,988,903	(100,386)	-3.2%	
MISCELLANEOUS	35,973	30,587	33,511	36,000	37,170	1,170	3%		40,000	4,000	11.1%	Increase in banking fees
SPECIAL PROJECTS	1,346	115,641	0	7,500	0	(7,500)	-100%	Carry into 2012	10,000	2,500	33.3%	See page 6
SECURITIES LENDING REVENUE	(421,632)	(136,828)	(57,105)	(100,000)	(88,853)	11,147	-11%	Returns ⚡ expected	(100,000)	No Change	0.0%	
COMMISSION RECAPTURE REVENUE	(93,101)	(67,480)	(67,140)	(100,000)	(74,401)	25,599	-26%	Returns ⚡ expected	(100,000)	No Change	0.0%	
VETERANS AFFAIRS LEASE REVENUE		(71,391)	(127,426)	(131,119)	(131,119)	0	0%		(134,813)	(3,694)	2.8%	
TOTAL	\$8,298,752	\$7,700,001	\$8,040,053	\$8,320,932	\$7,801,973	(\$518,959)	-6%		\$8,047,989	(\$272,943)	-3.3%	

2012 Budget Increase (Decrease) relative to amount budgeted in calendar year 2011.

See Attached Budget Notes and Supporting Budget Detail.

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

Asset Assumptions (as of 10/31/11)

Investment Accounts Billed Indirectly - Fees Not Budgeted	\$251.6 million	
Investment Accounts Billed Directly	<u>528.9 million</u>	
Financial Investments		\$780.5 million
Alternative Investments		<u>78.6 million</u>
Total Fund		\$859.1 million

Investment Management Fees

Investment Accounts Billed Directly		
\$528.9 million in assets at 53 basis points	\$2,803,170	
Alternative Investments		
\$78.6 million in assets at 90 basis points	<u>707,400</u>	
Budgeted Investment Management Expenses		\$3,510,570

Custodian Fees

U.S. Bank

15 Separate Accounts at \$1,000 per account	\$15,000	
Domestic Assets of \$358.2 million at 15¢ per thousand	53,730	
Global Bond Assets of \$51.4 million at \$1.00 per thousand	51,400	
Global Equity Assets of \$35.2 million at 80¢ per thousand	<u>28,160</u>	
Custodian Expenses		\$148,290

Investment Consultant Fees

New England Pension Consultants

Financial Composite		
First \$100 million at 3 basis points	\$30,000	
Second \$100 million at 2 basis points	20,000	
Next \$580.5 million at 1.5 basis point	<u>87,075</u>	
Financial Composite Expenses		\$137,075
Alternative Investments Expenses		<u>50,000</u>
Investment Consultant Fees		\$187,057

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

Actuarial Expenses

Buck Consultants, LLC

Retirement and Purchase of Service Calculations/Retirement Estimates	\$70,000	
Annual Valuation Report, Meeting Attendance, Annual Audit/General Consulting	46,000	
Annual Benefit Statements/Miscellaneous Actuarial Consulting	16,000	
Five-year experience study ending 12/31/10 (to be invoiced in 2012)	<u>18,000</u>	
Actuarial Expenses		\$150,000

Legal Expenses

Bartley Goffstein, LLC

General	\$70,000	
Investments	<u>7,500</u>	
Legal Expenses		\$77,500

Auditing Expenses

Huber, Ring, Helm & Co.

Annual Audit	\$39,000	
Miscellaneous Accounting Issues	<u>4,500</u>	
Auditing Expenses		\$43,500

Trustee Election Expenses

Active Trustee Elections (4,800 eligible voters)

Election Commissioner Costs	\$3,000	
Miscellaneous Costs Election Commissioner	1,000	
Printing costs at 91¢ per voter each election	4,368	
Mailing costs at \$1.32 per voter each election	<u>6,336</u>	
Cost Per Active Trustee Election	\$14,704	
Four Active Trustee Elections at \$14,704		<u>\$58,816</u>
Trustee Election Expenses		\$58,816

Technology Services, Computer Consulting Fees and Software

See Attached Technology Budget for Details

Technical Services, Consulting & Support	\$101,000	
Software purchases and licenses	<u>10,740</u>	
Technology Services, Computer Consulting Fees and Software		\$111,740

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

Physician Fees:

Estimated 20 disability medical evaluations at \$100 each**\$2,000**

Property Management, Security and Utilities

Property management fee at \$1,060 per month	\$12,720	
Property management services (trash, janitorial, maintenance)	59,665	
Security Monitoring	<u>1,500</u>	
Property Management and Security Systems		\$73,885
Telephone service at \$956 per month	\$11,472	
Internet service at \$209 per month	2,508	
Ameren UE Electric Service	25,500	
Sewer/Water	<u>1,344</u>	
Utilities		<u>\$40,824</u>

Property Management, Security and Utility Expenses\$114,709

Postage and Delivery

Quarterly Newsletter at \$3,650 each mailing	\$14,600
Health Insurance Open Enrollment Packets – 3,400 at \$1.50	5,100
Annual Report Summaries – 10,000 at 66¢ each	6,600
1099R Forms – 6,000 at 55¢ each	3,300
Miscellaneous postage	<u>21,000</u>

Postage Expenses\$50,600

Printing and Office Supplies

Quarterly Newsletter at \$1,500 each mailing	\$6,000
Annual Reports – 250 at \$13.50 each	3,375
Annual Report Summaries – 10,000 at 77¢ each	7,700
Health Insurance Open Enrollment Packets – 3,400 at \$2.15	7,310
Miscellaneous printing and office supplies	<u>26,000</u>

Printing and Office Supplies\$50,385

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

Equipment Purchases and Maintenance

Maintenance Contracts

AS 400 Computer (IBM Corp)	\$1,800
Copier (Ri-Com)	1,605
Check Writer (Paymaster Checkwriter)	350
Microfische Reader/Printer (Dynamic)	770
Konica Printer	4,000
Mail System	4,000
Telephone Caller ID (AT&T)	300
Telephone System (Mitel)	<u>4,700</u>
Maintenance Contract Expenses	\$17,525

Equipment and Hardware Purchases (See Attached Technology Budget) 38,000

Equipment Purchases and Maintenance\$55,525

Liability, Casualty, Fiduciary Insurance

Fiduciary Coverage	\$53,450
Crime Coverage & Treasurer's Bond	3,100
Property, Casualty and Workers' Compensation Coverage	12,500
Insurance Brokerage Services	<u>15,000</u>
Business Insurance Expenses	\$84,050

Trustee Educational Expenses

Based on Projected Expenses for 2012 (five new Trustees)\$36,000

Retiree Benefit Costs

Based on November 2011 Enrollment Levels

Health Care Premium Assistance

Medical Insurance:

2,750 members @ \$80.00 per member per month \$2,640,000

Dental Insurance:

2,800 members @ \$5.95 per member per month 207,060

Vision Insurance:

3,150 members @ \$2.72 per member per month 102,000

Health Insurance Consultant Fee 39,843

Health Care Premium Assistance and Consultant Fee\$2,988,903

**Public School Retirement System
of the City of St. Louis
Operating Budget - Calendar Year 2012**

Miscellaneous Expenses

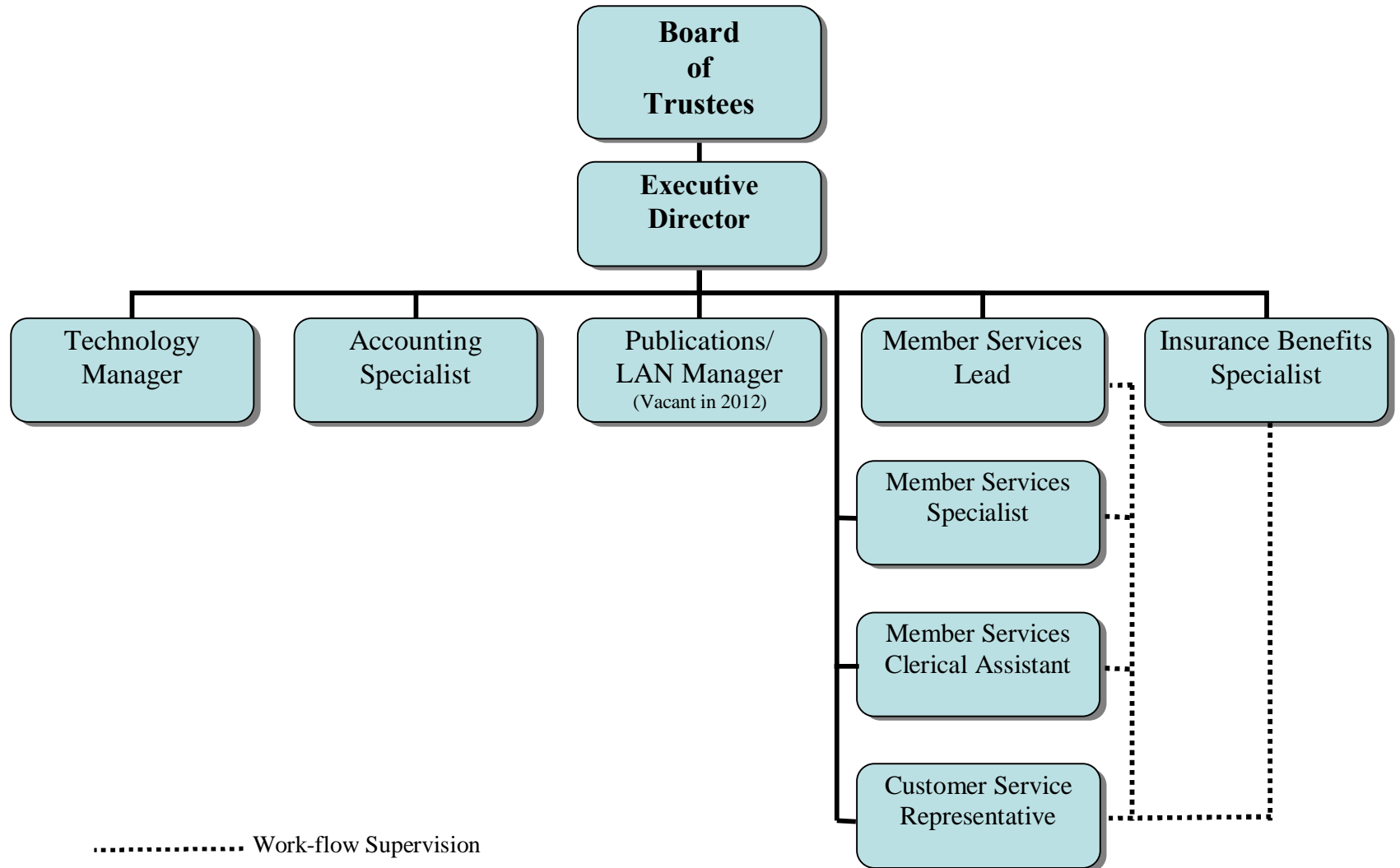
Banking Fees (average \$2,450 per month)	\$29,000
Parking for Members and Trustees, Off-site Document Storage, Subscriptions and Trustee Meeting Expenses	9,000
Unforeseen Building Supplies and Equipment	<u>2,000</u>
Miscellaneous Expenses	\$40,000

Special Projects

Replace Lobby, Elevator & Other High Traffic Area Carpet	\$5,000
Redesign Website	<u>5,000</u>
Special Short-Term Projects Based on Hold Over from 2011	\$10,000

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

Organizational Chart



**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
2011 INVESTMENT MANAGEMENT FEES**

MONEY MANAGER	1st QUARTER			2nd QUARTER			3rd QUARTER		
Investment Manager Accounts Billed Directly	Fees	Market Value	Fee Rate	Fees	Market Value	Fee Rate	Fees	Market Value	Fee Rate
Batterymarch Financial Mgmt. Inc.	\$28,948	\$16,843,096	0.69%	\$28,931	\$16,827,924	0.69%	\$25,156	\$13,471,800	0.75%
BDH	24,588	19,670,425	0.50%	25,684	20,547,347	0.50%	21,524	17,218,945	0.50%
Causeway Capital Management	71,624	42,537,832	0.67%	74,667	44,410,194	0.67%	53,790	31,563,248	0.68%
Chicago Equity Partners	50,685	57,926,046	0.35%	48,312	54,466,341	0.35%	38,135	43,355,143	0.35%
EARNEST Partners	12,656	20,250,285	0.25%	12,958	20,732,071	0.25%	13,463	21,541,000	0.25%
Edgar Lomax Co.	41,107	33,206,431	0.50%	42,451	34,400,619	0.49%	38,115	30,546,869	0.50%
Intech	38,119	30,803,208	0.50%	36,250	29,293,125	0.49%	29,240	23,628,296	0.50%
Loomis Sayles (high-yield fixed income)	57,857	46,285,230	0.50%	58,976	47,180,510	0.50%	46,037	36,829,737	0.50%
Mellon Capital Management	3,106	24,850,475	0.05%	1,974	15,483,696	0.05%	1,328	10,167,671	0.05%
Mellon Global Expanded Alpha 1	96,495	48,917,660	0.79%	84,249	42,240,008	0.80%	73,332	36,366,959	0.81%
Manulife Asset Management U.S. LLC	43,944	60,310,494	0.29%	38,683	51,892,986	0.30%	38,112	50,978,677	0.30%
Mondrian	55,887	54,418,574	0.41%	57,203	56,524,719	0.40%	55,044	51,309,283	0.43%
Monetary Mgmt Group, Inc.	75,420	48,269,098	0.63%	74,338	47,576,291	0.62%	55,083	35,253,272	0.63%
New Amsterdam Ptnrs	30,445	34,794,064	0.35%	29,396	33,595,312	0.35%	21,019	24,021,923	0.35%
Pyramis Global Advisors (Fidelity Investments Co.)	66,049	42,839,003	0.62%	68,230	44,584,227	0.61%	60,836	38,668,934	0.63%
Systematic Financial Mgmt., LP	71,546	29,824,773	0.96%	64,187	25,899,701	0.99%	43,409	17,363,672	1.00%
Westfield Capital Mgmt.	59,989	23,995,769	1.00%	60,303	24,121,297	1.00%	41,112	16,444,795	1.00%
TOTAL ACCOUNTS BILLED DIRECTLY	\$828,466	\$635,742,463	0.52%	\$806,792	\$609,776,369	0.53%	\$654,735	\$498,730,225	0.53%
Investment Manager Accounts Billed Indirectly									
Batterymarch Global Emerging Mkt	60,044	32,023,315	0.75%	59,152	31,547,929	0.75%	45,072	24,038,397	0.75%
Blue Rock	63,799	34,026,351	0.75%	63,411	33,819,200	0.75%	62,167	33,155,642	0.75%
DFA	49,371	39,496,602	0.50%	48,175	38,540,147	0.50%	34,455	27,564,351	0.50%
GMO Global Balanced	52,358	38,784,069	0.54%	53,533	39,654,345	0.54%	47,405	35,115,182	0.54%
K2 Investment	72,393	23,165,766	1.25%	71,294	22,814,193	1.25%	67,046	21,454,713	1.25%
Loomis Sayles (Credit Asset Trust)	27,001	24,001,057	0.45%	22,646	20,130,050	0.45%	21,904	19,470,405	0.45%
Mariner Investments	87,615	23,364,090	1.50%	87,298	23,279,475	1.50%	9,979	2,661,024	1.50%
PIMCO	76,454	35,354,228	0.87%	77,663	35,913,645	0.87%	72,713	33,624,717	0.87%
PERMAL*							45,361	20,160,505	0.90%
Wellington*							33,693	22,584,921	0.60%
TOTAL ACCOUNTS BILLED INDIRECTLY	\$489,035	\$250,215,479	0.78%	\$483,174	\$245,698,984	0.79%	\$439,797	\$239,829,857	0.73%
TOTAL	\$1,317,502	\$885,957,942	0.59%	\$1,289,966	\$855,475,353	0.60%	\$1,094,532	\$738,560,082	0.59%

*New Money Manager added in 3rd Quarter, Wellington pro-rated for 62 days

TOTAL YEAR-TO-DATE FEES BILLED DIRECTLY	\$2,289,994
TOTAL YEAR-TO-DATE FEES BILLED INDIRECTLY	\$1,412,006

TOTAL YEAR-TO-DATE FEES	<u>\$3,702,000</u>
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**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
2012 TECHNOLOGY BUDGET**

TYPE	DESCRIPTION	HARDWARE	SOFTWARE	SERVICES	TOTAL
Hardware	Network and PC Replacement Equipment	\$3,000			
	Replace Network Servers	17,200			
	Telephone System Hardware & Equipment	7,800			
	Replace FAS-250 File Servers	10,000			
Total Hardware (equipment & maintenance)		\$38,000			\$38,000
Software	Windows Small Business Server 2012		\$2,000		
	Microsoft Sharepoint Foundation		260		
	Cisco Security Agent Software Upgrade		1,100		
	Adobe PDF Professional Software Licenses		480		
	Micro Focus COBOL 64-bit Support Line		1,300		
	Microsoft SQL 2012 Database Management License		700		
	Microsoft Visual Studio 2012 License		700		
	Lenel Building Security System		1,500		
	Winzip Software License		50		
	Quickbooks Premier Server and License		400		
	Quickbooks Fund Reporting Accounting Software		150		
	Relius Government Forms Annual License		400		
	Relius Government Forms 1009 Forms and Envelopes		1,000		
	Symantec Anti Virus Maintenance		700		
Total Software (technology services)			\$10,740		\$10,740
Services	AS400 RPG general ledger programming support			\$500	
	Member Address Verification Service			400	
	Barracuda Spam Firewall Updates			1,100	
	Sungard Availability Services (Phoenix Arizona Co-location)			12,000	
	Blade Technology Network Equipment Replacement Services (one-time)			39,000	
	Blade Technology Network Monitoring & Maintenance (on-going cost)			12,000	
	Jupiter Consulting Services			30,000	
	Cintas InfoPort Document Imaging			6,000	
Total Services (technology services)				\$101,000	\$101,000
TOTAL		\$38,000	\$10,740	\$101,000	\$149,740