

MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

BOARD MEETING

LAGERS Board Room
Jefferson City, Missouri

Friday, 8:03 A.M.
December 9, 2011

BOARD MEMBERS PRESENT:

Frank Buck, Nancy Yendes, Barry Hovis, Paul Thomson and Dick Franklin.

OTHERS PRESENT:

Keith Hughes, Executive Secretary; Bob Wilson, Assistant Executive Secretary, Member Services; Pam Hoffman, Compliance Officer/Internal Auditor; Robert Franson, Chief Counsel; Brian Collett, Chief Investment Officer; Larry Rohrbach, Richard McIntosh and Zachary Brunnert, Flotron & McIntosh; Leslie Loar, Benefit Specialist; Dana Moad, Administrative Assistant.

Meeting Convened

A meeting of the Board of Trustees of the Missouri Local Government Employees Retirement System was held in the LAGERS Board Room, Jefferson City, Missouri, on Friday, December 9, 2011. In the absence of Arby Todd and Robert Ashcroft, Arby Todd requested that Frank Buck act as the Chairperson. Frank Buck called the meeting to order at 8:03 AM.

By consensus of the Board, Arby Todd and Robert Ashcroft were excused, for cause, from the Board Meeting.

Legislative Committee Report

Mita Drazilov, Gabriel, Roeder, Smith & Company, through a video conference, discussed the "Missouri LAGERS Illustrations of Age and Service Allowance Amounts" handout. The discussion provided detailed examples of benefits payable under the proposed LT-67 Benefit Programs. Copy of report attached.

**A motion was made by Barry Hovis and seconded by Nancy Yendes to table, until the February Board Meeting, the discussion regarding drafting legislation to provide LT-67 Benefit Programs and cease offering LT-65 Benefit Programs.
Motion carried 5-0.**

Larry Rohrbach, Flotron & McIntosh, provided information on expectations for the 2012 legislative session.

Consent Agenda

A motion was made by Nancy Yendes and seconded by Barry Hovis to approve the Consent Agenda, as amended.

Motion carried 5-0.

Visitor's Comment

No visitors present.

Chairman's Report

Michael Long, Cortex Applied Research Inc., presented the 2011 Board Self-Evaluation - Summary of Results via conference call. The 2011 report was very positive with 99% of quantitative responses marked as favorable. Copy of report attached.

A motion was made by Paul Thomson and seconded by Barry Hovis to change the September 7, 2012 scheduled Board Meeting from Lake Ozark to LAGERS' Board Room in Jefferson City.

Motion carried 5-0.

Administrative Committee Report

Keith Hughes reported no further discussion on behalf of the Administrative Committee.

Disability Committee Report

Nancy Yendes reported no further discussion on behalf of the Disability Committee.

Governance Committee Report

Frank Buck reported no further discussion on behalf of the Governance Committee.

Investment Committee Report

A motion was made by Paul Thomson and seconded by Nancy Yendes to sever LAGERS' relationship with INTECH Investment Management as of January 4, 2012, unless new data becomes available from the CIO prior to that date. Resolution attached.

Motion carried 5-0.

Investment Performance Report

Brian Collett gave a report on Market Trends and the 3rd Quarter 2011 Performance Highlights. In addition, Brian Collett notified the Board of investments that the Investment Staff has committed to since the previous Board Meeting. Copy of reports attached.

Compliance Officer/Internal Auditor Report

Pam Hoffman presented the Compliance and Internal Audit Plan for 2012. Copy of report attached.

The CO/IA reported on the Service Provider Checklist handout which includes performance monitoring at least every three years for the following Service Providers: External auditor, actuary, legal counsel, investment custodian, and independent medical advisors. In addition, the CIO is responsible for investment managers. Board Members were encouraged to review the providers as well and the results of the reviews will be presented to Governance Committee in February. Copy of report attached.

The CO/IA reported that the investment staff has complied with the requirement to provide a quarterly analysis of compliance with allocation targets in accordance with the Statement of Investment Policy & Objectives.

The 2012 Trustee Educational Opportunities schedule was distributed. Copy of report attached.

Executive Secretary's Report

Keith Hughes gave an update on the Eclipse project. Phase 3 is expected to be implemented in the summer of 2012 which will give member's access to the Employee Web Portal.

The Executive Secretary reported on the Annual Meeting. Member surveys were very positive and provided great feedback to the LAGERS staff.

Keith Hughes encouraged the Board Members to engage in any meetings they desire according to the 2012 Proposed Meeting Schedule. The schedule includes LAGERS Administrative Workshops and Pre-Retirement Seminars as well as other related meetings. Copy of report attached.

Chief Counsel's Report

**A motion was made by Nancy Yendes and seconded by Dick Franklin to go into Executive Session for litigation pursuant 619.021 (1). A roll call vote was taken.
Motion carried 5-0.**

Discussion was held. No motions were made.

A motion was made by Paul Thomson and seconded by Barry Hovis to come out of Executive Session. A roll call vote was taken.

Motion carried 5-0.

Education Sessions

LAGERS staff gave a presentation on the “LAGERS Experience - Beginning to End.” The presentations included Membership Services, Employer Reporting, Investments, Benefits, Accounting and Information Technology. Copy of report attached.

Keith Hughes presented “Retirement Plan Elections – In the Future” posing the question: Are we offering the right options to our members? He explained three different plan elections for consideration: Tiered Plans, Equal Employer/Employee Contributions and the “Utah Plan”. Copy of report attached

Adjournment

A motion was made by Nancy Yendes and seconded by Paul Thomson to adjourn the December Board Meeting of LAGERS at 1:20 P.M. on December 09, 2011.

Motion carried 5-0.

Respectfully submitted,

Keith E. Hughes
Executive Secretary