

Annual Meeting Results

The SPTRFA Annual Meeting of the Members was held on January 20, 2011, at 4:00 p.m. in Auditoriums E & F of the Saint Paul Public Schools District Headquarters.

Election For Three-Year Term

This year, Matt Bogenschultz was re-elected and James Paddock and Stephanie Pignato were elected for three-year terms to the Board of Trustees. Election results were:



Candidate	Number of Votes
James Paddock	1053
Matt Bogenschultz	999
Stephanie Pignato	696
Brad Moening	666

Other candidates receiving votes were Lori Borgeson, Brian McCarthy, and Dave Stahlman.

Report to the Membership

Secretary-Treasurer Eugene Waschbusch reported that total revenues for the fiscal year ending June 30, 2010 were \$79 million, while expenditures were about \$97 million. There was a net loss in operating revenues of approximately \$18 million. Total fund investment returns were positive, closing the fiscal year at 13.4%.

Mr. Waschbusch also reported that as of June 30, 2010, there were 3,749 active members, 88 members on leave of absence, 1,863 vested terminated members, 1,419 non-vested terminated members, and 3,044 pensioners, survivors and beneficiaries. An additional 111 members began drawing benefits over the previous year. The active member count decreased by 183 (including members on leave of absence).

Members heard a presentation by Mr. Shaw Wagener of Capital Guardian International. Capital Guardian International manages an

emerging markets investment strategy for the SPTRFA. Mr. Wagener answered member questions during and after his presentation.

Matt Bogenschultz, Trustee and Committee of Nine (C-9) Chair, reviewed with attendees the legislative priorities of the Committee, which focus on stable financing and benefit improvements.

Brian Rice, partner for the law firm Rice, Michels & Walther and lobbyist for the C-9, provided a recap of significant actions in the 2010 Session. He explained how previous market adversities and the State budget deficit of \$6.2 billion have staged a very difficult environment for public pension funds in the 2011 Session.

Next Stop: Retirement

Is your next stop retirement? If you have made the decision to retire at the end of this school year, or will be making your decision in the coming weeks, please contact our office as soon as possible to schedule a pension benefit counseling appointment.

Items to bring to your appointment are photocopies of: your birth certificate and if applicable your spouse's birth certificate, your marriage certificate, and any marriage dissolution (divorce) decree(s).



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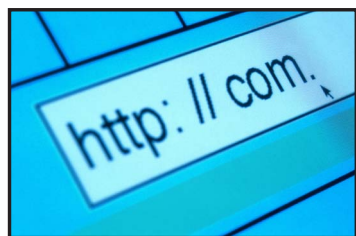
Returns for Periods ending December 31, 2010	Last Quarter	One Year	Five Years
Domestic Equity	12.9%	19.9%	3.8%
S&P 500 Index Benchmark	10.8%	15.1%	2.3%
Domestic Fixed Income	(1.7%)	6.7%	4.8%
BC Aggregate Index Benchmark	(1.3%)	6.5%	5.8%
International Equity	6.8%	9.1%	6.0%
MSCI EAFE Index Benchmark	6.6%	7.8%	2.5%
Real Estate	4.2%	17.3%	2.1%
NCREIF Total Index Benchmark	4.6%	13.1%	3.5%
Total Fund (Net of Fees)	7.4%	13.7%	4.8%
Composite Benchmark	7.3%	13.7%	4.5%

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Even if you have already notified the SPPS of your intent to retire, **you must still contact the SPTRFA** to obtain and complete the necessary retirement application documents to begin receiving your monthly pension benefit payments.

Legislative Session 2011

The 2011 Legislative session is underway.



The SPTRFA Board of Trustees is preparing its 2011 legislative initiative to address the funding issues reported in our December 2010 newsletter.

When a legislative bill is drafted, the membership will be notified of its introduction. Once it's introduced, the bill will be available on the SPTRFA website: www.sptrfa.org.

You may monitor the SPTRFA website for available updates on any bill amendments or to follow the progress of the bill.

Investments

A major component to achieve full funding is the return on invested assets. Money to

pay current and future benefits comes from contributions and investment income. While we have much investment ground to make up from the 2008 and 2009 market downturns, our investments in the market in the first six months of the 2010 - 2011 fiscal year showed a phenomenal 18.85% return - let's hope the market continues to be strong.

Appreciation

As the SPTRFA welcomes two new Board members this year, we also say goodbye to two dedicated Trustees. Ms. Carol Adams (23 years served) and Ms. Chong Thao (9 years served) did not run for re-election this year.

Ms. Adams presided as President and Vice President, and served on the Executive, Annuities, Investment, Refund, and Personnel Committees.

Ms. Thao served on the Executive, Annuities, Investment, and Personnel Committees.

Thank you, Carol and Chong, for your distinguished service, tireless efforts, and many contributions.

Office Closed Monday, May 30, 2011