

IPERS BENEFITS ADVISORY COMMITTEE

Monday, November 13, 2006

IPERS Board Room

The following people were in attendance at the IPERS Benefits Advisory Committee meeting that was held in the IPERS Board Room on Monday, November 13, 2006.

Members of the Benefits Advisory Committee

Gene Gardner, Len Cockman, Bill Sage, Jim Maloney, Alan Kemp, Mollie Anderson, Walt Galvin, Diane Reid, Maxine Moore Ballard, Lewis Washington, Pat Lynch, Brad Hudson, Gaylord Tryon, and Janie Garr.

Absent: None

Administration & Staff

Donna Mueller, Chief Executive Officer; David Martin, Chief Benefits Officer; Melinda Prince, Executive Assistant; Kathy Comito, Chief Investment Officer, Leon Schwartz, Chief Operating Officer; Bob Sharp, Project Manager; Gregg Schochenmaier and Kelly Lovell, General Counsel; Karl Koch, Lead Investment Officer; and Pat Reinhardt, Investment Officer.

Others

BAC Alternates: Mathelle Carlson.

Sam Leto, Ed Cook, and Tim Waddingham.

Welcome New Board Member

Gene Gardner welcomed Pat Lynch, representing the International Brotherhood of Teamsters, to the Benefits Advisory Committee.

Approval of Minutes

Lewis Washington made the motion to approve the minutes from the October 9, 2006, BAC meeting. Alan Kemp seconded, the motion carried by unanimous voice vote.

Update on Requests for Protection Occupation - David Martin

David reviewed the summary of events regarding the issue of adding jailers to the protection occupation class (Special Service Group 2). To comply with the BAC's guidelines for consideration of protection occupation membership, staff surveyed the employer association that has broad representation of the covered employers that employ members requesting protection occupation status. The survey results were reviewed. The original motion adopted at the BAC's August 29, 2006, meeting was read. No further action was taken.

November 13, 2006
Minutes Continued

Sheriffs & Deputies and Protection Occupation Contribution Rates - David Martin

The FY2006 valuation report sets the contribution rates effective July 1, 2007, for members of the Special Service Groups. Unlike contributions rates for regular members, contribution rates for the Special Service Groups are based on actuarially determined rates that change each year. For FY2008 the total actuarial contribution rates for sheriffs and deputies will be 15.40 percent and for Special Service Group 2 (all other public safety members) 14.11 percent.

Educational Topic - IPERS Dividend Programs - David Martin

David reviewed IPERS' dividend and COLA programs. At the conclusion of the presentation Mollie Anderson made a motion that the following three committees be established:

1. A committee to research short term options to stretch the current FED program: Walt Galvin and Janie Garr will co-chair.
2. A committee who will hire professional resources to study an alternate program to replace the FED and COLA programs: Len Cockman, Lewis Washington, Pat Lynch, Brad Hudson and Gaylord Tryon were appointed. Gaylord Tryon will chair the committee.
3. A committee to study the State's current deferred compensation plan and the participation rate: Mollie Anderson, Alan Kemp, Bill Sage and Diane Reid were appointed. Mollie Anderson will chair the committee.

Alan Kemp seconded, the motion carried by unanimous voice vote.

Educational Topics for Next Meeting

Next meeting's educational topic will be retired reemployed.

CEO Report

Donna Mueller reported that Kathy Comito will retire from IPERS with her last day being December 29, 2006. Karl Koch, who has been the lead investment officer at IPERS since 1998, has been named interim CIO.

November COLA Update - Based on the June 30, 2006, valuation no increase in the dividend for the pre-July 1990 retirees can be paid without an increase in the statutory contribution rates.

Actuarial Valuation Presentation - Pat Beckham, IPERS' actuary will present the FY2006 Actuarial Valuation report on Thursday, December 7th during the Investment Board meeting.

November 13, 2006
Minutes Continued

CAFR and Website Projects – A memo from Julie Economaki was reviewed regarding information IPERS staff needs from BAC members prior to completing the CAFR (Certified Annual Financial Report) and Website projects.

I-Que Project Update

Bob Sharp reported that the I-Que project is currently wrapping up the “Discovery Phase.” Vitech and IPERS have identified and clearly defined all of IPERS’ high level requirements. To kick off the next phase, “Solutions Design Phase”, the project teams will demonstrate the Vitech software for IPERS staff. This demonstration is called a Conference Room Pilot and is used to demonstrate the “out-of-the-box” capabilities of the Vitech V3 software solution. It will also help IPERS staff visualize the V3 system functionality as they help mold the IPERS I-Que system.

Appeals Update

Gregg Schochenmaier reviewed the November 2006 Appeal Status report as distributed.

Other Business

None

Public Comments

None

Future Meeting Dates

IPERS’ actuary will present the annual valuation report at the Investment Board’s December 7th meeting. The next meeting of the BAC will be Tuesday, January 16, 2007. With no further business to come before the committee, Gaylord Tryon made the motion to adjourn the meeting. Bill Sage seconded, the motion carried by unanimous voice vote. The meeting was adjourned at 2:50 p.m.