

IPERS BENEFITS ADVISORY COMMITTEE

Monday, March 12, 2007

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, March 12, 2007.

Members of the Benefits Advisory Committee

Gene Gardner, Len Cockman, Jim Maloney, Alan Kemp, Walt Galvin, Maxine Moore Ballard, Lewis Washington, Brad Hudson, and Janie Garr

Absent: Bill Sage, Mollie Anderson, Diane Reid, Pat Lynch, and Gaylord Tryon.

Administration and Staff

Donna Mueller, Chief Executive Officer; David Martin, Chief Benefits Officer; Melinda Prince, Executive Assistant; Leon Schwartz, Chief Operations Officer; Julie Economaki, Public Information Officer; Karl Koch, Interim Chief Investment Officer; Bob Sharp, Project Manager; Gregg Schochenmaier, General Counsel; and Kelly Lovell, General Counsel.

Others

BAC Alternates: Jim Romar, International Brotherhood of Teamsters; Pat Deluhery, Department of Administrative Services; and Mathelle Carlson, IPERS Improvement Association.

Kim Dentlinger, State Treasury's Office; Bruce Hopkins, CEM Benchmarking Inc.; Tim Waddingham, Tom Brunow, and Lowell Dauenbaugh.

Approval of Minutes

Brad Hudson made the motion to approve the minutes from the February 12, 2007, BAC meeting. Jim Maloney seconded, the motion carried by unanimous voice vote.

CEM Presentation - Bruce Hopkins

Bruce Hopkins, director of CEM Benchmarking reported that the objective of the report is a comparison of how IPERS' pension administration costs compares to peers. When evaluating costs and performance, the most relevant comparisons are to U.S. public systems similar in membership. IPERS' custom peer group includes 16 other systems. Highlights of the report showed IPERS' total administration cost of \$36 per active member and annuitant was below the peer median of \$69 and was the lowest of our peers. IPERS' total service score was 83 above the peer median of 75.

March 12, 2007
Minutes Continued

Legislative Update - Donna and Julie

Julie reported that a number of bills impacting IPERS have been introduced, only one bill made it through the funnel – Sudan Divestment. There are several issues to work through with the interim pension committee. In anticipation of the bills that will be re-filed next session, Julie will summarize the bills and present to the BAC at their May meeting.

FED Extension Committee - David Martin

Milliman has prepared four actuarial cost studies to determine the estimated payout streams from the FED. David asked that at the next meeting, BAC members take a position on the direction of the FED program.

CEO Report - Donna Mueller

Application deadline for the Chief Investment Officer is March 29, 2007.

Benefits Division Report - David Martin

David reviewed the Member Demand Measures Report for January 2007. He also discussed developing the methodology to determine service purchase costs in-house.

I-Que Project Update - Bob Sharp

I-Que project team is developing a newsletter to share with staff and others. The newsletter will contain a high level view of the project timeline, a more detailed view of what is currently happening and a preview of coming attractions. The newsletter should be available to the BAC at their May meeting.

Investment Division Update - Karl Koch

Karl reviewed a summary of IPERS' investment returns for periods ending December 31, 2006.

Appeals Update - Gregg Schochenmaier

Gregg reviewed the March 2007 Appeal Status report.

Other Business

Representative Carmine Boal has been named to the Investment Board replacing Jeff Elgin.

Public Comments

None

March 12, 2007
Minutes Continued

Future Meeting Dates

The next meeting date of the BAC was changed from May 14, 2007 to May 7, 2007. With no further business to come before the committee, Brad Hudson made the motion to adjourn the meeting. Len Cockman seconded, the motion carried by unanimous voice vote. The meeting adjourned at 2:20pm.