

IPERS BENEFITS ADVISORY COMMITTEE

Monday, January 7, 2008

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, January 7, 2008.

Members of the Benefits Advisory Committee

Len Cockman, Brad Hudson, Bill Sage, Jim Maloney, Diane Reid, Walt Galvin, Maxine Moore Ballard, Lewis Washington, Pat Lynch, Gaylord Tryon, M.J. Dolan, and Janie Garr.

Absent: Alan Kemp and Mollie Anderson.

IPERS Administration and Staff

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

BAC Alternates or Representatives

Mathelle Carlson, IPERS Improvement Association, Susan Cameron, Iowa State Sheriffs and Deputies Association, Jessica Harder, Iowa League of Cities, and Mark Johnson, Department of Administrative Services.

Public Members

Jenifer Parson, Kelly Ryan, Jennifer Acton, Deb Helsen, Frank Severino, Ray Blasé, Ralph Marasco, Jr.

Call to Order

Meeting called to order at 1:01 p.m. by chair Len Cockman.

Pat Lynch made the motion to approve the minutes from the October 8, 2007, BAC meeting. Lewis Washington seconded, the motion carried unanimously by voice vote.

CEO Reappointment

Donna Mueller stated that her term as CEO of IPERS will expire as of April 30, 2008. The Investment Board and BAC must submit a written report to the governor and the secretary of the senate concerning the performance evaluation of the CEO and make a recommendation concerning the reappointment of Donna as CEO.

Pat Lynch made the motion that the BAC recommends to Governor Culver that Donna Mueller be reappointed as CEO of IPERS. Gaylord Tryon seconded, the motion carried unanimously by roll call vote.

Gaylord Tryon made the motion to authorize the executive committee of the BAC to contribute to and sign the joint report for the Benefits Advisory Committee. Bill Sage seconded, the motion carried unanimously by roll call vote.

2008 Legislative Session Issues

Donna Mueller reviewed with the BAC proposals from the Public Retirement System Committee relating to IPERS. BAC support/opposition is reflected in the following motions:

Lewis Washington made the motion to support IPERS' department bill. Walt Galvin seconded, the motion carried unanimously by roll call vote.

Gaylord Tryon made the motion that the BAC supports the notion of an increased benefit multiplier for regular members to two percent for years 31 to 35 and one percent per year for years 36 to 40. Janie Garr seconded. The motion was withdrawn; the committee will study the concept further as a retention tool.

Pat Lynch made the motion that the BAC does not support the bona fide retirement legislation allowing all public hospital employees, not just licensed health care professionals to return to work within one month and not lose retirement benefits. Lewis Washington seconded, the motion carried unanimously by roll call vote. Discussion supported the completion of the study on the impact of the waiving the bona fide retirement period for licensed health care professionals before considering expansion of the study group.

Pat Lynch made the motion that the BAC opposes legislation allowing credit for non-refunded IPERS contributions when buying back prior IPERS service. Lewis Washington seconded, the motion carried unanimously by roll call vote.

Lewis Washington made the motion that the BAC supports the county attorneys and assistant county attorneys request to create a new group within IPERS with benefits that match the protection occupation class and would be retroactive. Motion withdrawn.

There was discussion regarding the impact of creating additional groups within IPERS. Donna stated that IPERS administration is opposed to the idea: as the larger membership group is carved up into separate smaller groups the costs increase as the ability to pool risks and share liabilities across a larger group declines. With costs reflected in the county attorney study, the DB plan loses its competitiveness with a DC plan. The membership will lose portability across IPERS employers.

Donna reviewed the cost studies prepared by Milliman. The study to increase the multiplier for years of service after 22 years with a maximum benefit payout of 76 percent for special service group 2 does not include consideration of the possible new entrants of county jailors, military installation guards, and EMS.

Staff Reports

I-Que Project Update – Bob Sharp reported on the testing phase for Rollout 1, member and employer demographics, employer wage and contribution reporting, member accounts, imaging interface, and employer self service.

FED & Cola Payment Update – Leon Schwartz reviewed the November dividend and FED payment history.

Investment Division Update – Karl Koch reported that although the fourth quarter returns have not been finalized, he expects negative returns for the quarter.

Appeals Update – Gregg Schochenmaier reviewed the January 2008 Appeal Status Report.

Other Business

Brad Hudson requested that an Ad Hoc group be established to review the FED and Cola programs. Members expressing interest in serving on the committee were Brad Hudson, Gaylord Tryon, Janie Garr, and Walt Galvin.

Public Comments

None

Future Meeting Dates

The next meeting date of the BAC is Monday, February 11, 2008. With no further business to come before the committee, Gaylord Tryon made the motion to adjourn the meeting, Pat Lynch seconded, the motion carried unanimously by voice vote. The meeting adjourned at 3:07 pm.