

EL PASO COUNTY  
**BOARD OF RETIREMENT**

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HOWARD MILLER  
EXECUTIVE DIRECTOR

EL PASO COUNTY RETIREMENT PLAN  
105 E. VERMIJO, SUITE 200  
COLORADO SPRINGS, CO 80903-2007

TELEPHONE (719) 520-7490  
FACSIMILE (719) 520-7495

MINUTES  
EL PASO COUNTY RETIREMENT PLAN BOARD MEETING  
NOVEMBER 28, 2011

MEMBERS PRESENT: Brian Larson, Bob Balink; Joe Breister; Julie Johnson, Nicola Sapp

ALSO PRESENT: Howard Miller; Dana Fuller; Ashley Campbell; Dale Connors, Watershed Investments; Chuck Short, EPC IT; Jim Bensberg, Retiree; Dan May, Fourth Judicial District Attorney; Christine Schmidt, Retiree

Brian Larson called the meeting to order at 9:00 a.m.

Public Comment:

Chuck Short stated that he was present on behalf of Imad Karaki and the El Paso County IT Department regarding the pending software upgrade.

Jim Bensberg complimented the Board for their service. He stated that he would like the Board to revisit eliminating the \$3,000 Death Benefit that is provided to retirees starting in 2013 going forward. Howard Miller stated that this could be looked at again in the future but the Plan Document has already been revised with the changes made. Brian Larson stated the Board will need to continue to look at several possible changes on an ongoing basis.

Howard Miller distributed the Amendments to the 2012 restated Plan Document. Amendment #1 concerns including the "Heart Act" which is a part of USSERA. Joe Breister moved to adopt the Amendment #1. Julie Johnson seconded the Motion. The Motion carried 5-0.

Amendment #2 includes changing the vesting period from 5 years to 8 years for employees hired after December 31, 2012, which also includes changing the purchase of service requirement from 5 years to 8 years; changing the benefit multiplier to 2.0% for all employees beginning in 2013 forward (everyone hired before January 1, 2013 will receive 2.22% up to December 31, 2012); and changing the maximum allowable monthly benefit from 75% of FAMP to 60% of FAMP for employees hired after December 31, 2012. Julie Johnson moved to adopt Amendment #2. Joe Breister seconded the Motion. The Motion carried 5-0.

The Board discussed where future meetings should be held. Howard Miller stated that he would like the meetings to remain at the Retirement Plan office unless there is a need for a larger venue at which time a change can be made for that meeting. Nicola Sapp stated that employees like to be able to stream the meetings online since not everyone is able to attend the meetings. She suggested Centennial Hall or RDC. Howard stated that he has revised the By-laws to reflect that meetings will be held at the RDC. Nicola Sapp moved to adopt the By-laws. Joe Breister seconded the Motion for discussion. Bob Balink suggested not selecting a place and putting it in the By-laws.

***"Financial Security for the Golden Years"***

Following discussions, Nicola amended her motion to change the By-laws to state that a meeting location will be decided in January of each year with alternate locations as needed. Joe Breister seconded the amended Motion. The Motion carried 5-0.

Howard Miller reviewed the change to the 2012 Investment Policy which was an update to the table on page 11. Julie Johnson moved to adopt the 2012 Investment Policy. Nicola Sapp seconded the Motion. The Motion carried 5-0.

The Board reviewed the 2012 Standards of Professional and Ethical Conduct. Julie Johnson moved to adopt the 2012 Standards of Professional and Ethical Conduct. Nicola Sapp seconded the Motion. The Motion carried 5-0.

The Board reviewed the 2012 Continuing Education and Investment Research Expense Policy and Procedure. Bob Balink moved to add the word "pre-approved" to paragraph A2, regarding reimbursements for meal, accommodations and other expenses. Julie Johnson seconded the Motion. The Motion carried 3-2 with Brian Larson, Bob Balink and Julie Johnson being in favor and Joe Breister and Nicola Sapp being opposed. Bob Balink moved to remove paragraph C2 since the change made to A2 will accommodate those items. Julie Johnson seconded the Motion. The Motion carried 5-0. Bob Balink moved to include "Hotel Accommodations" as paragraph "h" with the wording "Hotel expenses are eligible for reimbursement. Original receipts should be furnished." Julie Johnson seconded the Motion. The Motion carried 5-0.

Dale Connors of Watershed Investment Consultants reviewed the Plan's Investment Performance for the period ending September 30, 2011 and preliminary results for October 31, 2011. The total fund was -10.26% net of fees for the quarter and -6.78% net of fees year-to-date as of September 30, 2011. The total fund was +6.08% net of fees quarter-to-date and -1.12% net of fees year-to-date as of October 31, 2011.

Howard Miller reported that El Paso County had erroneously sent the Plan \$12,594.40 from the Sheriff's Office Detox payroll. The funds are in the process of being re-appropriated.

Howard stated that the Plan has been added to the class action lawsuit against Wells Fargo's Securities Lending program.

Howard reviewed the progress of searching for a software solution for the Plan. He stated that State Statute 24-54-115 stated that Employers should not have access to beneficiary information so that is why he feels that El Paso County should not build the system. He had contacted four different vendors, three of which provided demonstrations to Plan staff. Howard recommends that the Plan hire Buck Consultants. They have been providing pension solutions since 1970. Buck's web-based On Point solution is utilized by over 3,000 clients in all 50 states and they understand the Plan better than any other provider. They also have a 30 person staff located in Colorado to support implementation and operation. Chuck Short from El Paso County IT was present and stated that he was involved in the implementation of the system that was built by El Paso County and he was not aware of anything that wasn't done that was asked for. Nicola Sapp stated that the EPC IT department has the ability to divide the security so that access is not given to anyone who shouldn't have access. She stated that although the IT staff is busy, they can outsource the job. Brian Larson stated that a meeting was requested with IT over a month ago and that a meeting was just recently set for January, which was changed to Monday, December 5. He felt this was inappropriate and that there would not be enough time to implement the system. Joe Breister agreed that the County was not in a position to get the system up and running in less than 12 months time. Chuck Short asked that he be given time to review the requirements and see where the shortfalls are. Following further discussion, Joe Breister moved to proceed with the purchase of Buck Consultant's software package. Julie Johnson seconded the Motion. The Motion carried 4-1, with Joe Breister, Julie Johnson, Brian Larson and Bob Balink being in favor and Nicola Sapp being opposed.

Nicola was excused from the meeting at 11:10 a.m.

The Board reviewed the Minutes of October 24, 2011. Bob Balink noted that an attendee, Paul Andersen, was listed as being from the Clerk and Recorder's office, but is from the Finance Office. Bob Balink moved to approve the Minutes with the noted correction. Julie Johnson seconded the Motion. The Motion carried 4-0.

The Board reviewed the Termination Refunds and New Retirees (there were no Purchases of Service). Julie Johnson moved to ratify. Joe Breister seconded the Motion. The Motion carried 4-0.

The Board reviewed the Plan expenses totaling \$102,538.48. Julie Johnson moved to approve the expenses as submitted. Joe Breister seconded the Motion. The Motion carried 4-0.

Brian Larson announced his resignation because he is taking a job in Boulder. Howard Miller presented Brian with a plaque and thanked him for his service. A luncheon will be planned at a later date.

Julie Johnson assumes the chair position and the January meeting will be held at the Retirement Plan Office.

Being no further business, the meeting adjourned at 11:20 a.m.