

EL PASO COUNTY
BOARD OF RETIREMENT

HOWARD MILLER
PLAN ADMINISTRATOR

EL PASO COUNTY RETIREMENT PLAN
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MINUTES
EL PASO COUNTY RETIREMENT PLAN BOARD MEETING
SEPTEMBER 15, 2009

MEMBERS PRESENT: Joe Breister; Sandra Damron; Monnie Gore; Julie Johnson; Brian Larson

ALSO PRESENT: Howard Miller; Dana Fuller; Dale Connors, Watershed Investments; Steve Hansen and Jeb Belford, ING Clarion; Dave Slishinski and Doug Fiddler, Buck Consultants

Joe Breister called the meeting to order at 9:00 a.m.

Steve Hansen of ING Clarion reviewed the Plan's Lion Properties Fund portfolio. The income return was +1.29% for the Quarter and the appreciation return was -12.74% for a total return of -11.45% for the Quarter gross of fees and -11.76% net of fees. The income return was +4.83% for one year and the appreciation return was -41.59% for a total return of -38.34% for one year gross of fees and -39.21% net of fees.

Jeb Belford of ING Clarion reviewed the Plan's Lion Value Fund portfolio. The income return was -0.11% for the Quarter and the appreciation return was -10.37% for a total return of -10.48%. The income return was +1.85% for one year and the appreciation return was -43.26% for a total return of -42.08% for one year.

Dave Slishinski and Doug Fiddler provided an overview of various changes that could be made to the plan to ensure that pension benefits promised to retirees and employees can continue to be paid far into the future. Studies provided by Buck include the following:

Increase employer and employee contributions by one-half a percent for 2010. The contribution rate will be 6.5% for both the employee and the employer. In 2011 the rate will increase to 7% and in 2012 it will increase to 7.5% for both the employee and employer.

Members first participating on or after January 1, 2010 must reach the Rule of 80 and age 55 to be eligible for unreduced early retirement.

All current members must reach age 55 to be eligible to begin any retirement, death or disability benefit.

Five years of service is required to be eligible for any retirement benefits (currently, members that are age 62, regardless of service are eligible for benefits).

Decrease the benefit multiplier from 2.22% to 2.00% for members first participating on or after January 1, 2010.

“Financial Security for the Golden Years”

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By adopting the recommended changes, the future unfunded liability of the plan would be reduced from an estimated \$625 million to an estimated \$328 million.

The Board did not take any action. They have asked that legal counsel review the recommended changes before any action is taken. The Board will discuss the recommended changes at the October 20 meeting.

Dale Connors reviewed the Plan's investment performance and asset allocation for the period ending August 31, 2009. The Plan's market value was \$228,900 million. The Plan's investment performance was +8.73% net of fees QTD and +10.44% YTD net of fees.

Howard Miller presented an outline of what he has accomplished so far and what his future endeavors will be. He has made presentations to the employees of the Health department and is scheduled to make a presentation to the Pikes Peak Library District during their open enrollment. He is also working with the DA's as well as with El Paso County's benefits office to schedule presentations to other departments. Mr. Miller is working on an editorial calendar to launch a newsletter. He would like to employ a professional writer for a nominal fee to write the newsletter. Mr. Miller and Ms. Damron will be attending the International Foundation of Employee Benefit Plans class on November 7-8 to complete their Certificate of Achievement in Public Plan Policy – Part II. He encouraged other board members to attend. Mr. Miller suggested to the Board that beginning in 2010 the monthly meetings be changed to the 4th week of the month so that there would be more time to prepare the investment reports and financial reports. The Board chose not take any action on this matter a this time.

The Board reviewed the Minutes of August 18, 2009. Monnie Gore moved to approve the Minutes. Julie Johnson seconded the Motion. The Motion carried unanimously (Booklet Tab 1).

The Board reviewed the termination refunds, new retirees and purchases of service. Sandra Damron moved to ratify the refunds, new retirees and purchases of service. Julie Johnson seconded the Motion. The Motion carried unanimously (Booklet Tab 2).

The Board reviewed a list of expenses totaling \$9,787.69. Brian Larson moved to ratify the expenses as submitted. Julie Johnson seconded the Motion. The Motion carried unanimously (Booklet Tab 3).

Being no further business, the meeting was adjourned at 11:55 a.m.

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