

**South Dakota Department of Labor
Employees' Retirement Board
Meeting Minutes
June 25, 2012**

South Dakota Department of Labor Employees' Retirement Board (ERB) met on June 25, 2012, with DDN locations in Pierre, Aberdeen, Custer, Rapid City, Sioux Falls.

Members Present: Bob Riter, Jr., Jason Dilges, Pam Roberts, Jim Fansler, Mike O'Brien

Members Absent: None

Others Present: Lyle Harter, Kathie Volk, Megan Williams, Michael de Leon, David Fee, Amber Mulder

Chairman Riter called the meeting to order, and roll call was taken by Megan Williams. Jim Fansler MOVED approval of the minutes from the April 25, 2012, ERB meeting as prepared. SECONDED by Mike O'Brien. MOTION CARRIED.

Business:

Michael de Leon presented the Asset Allocation and COLA Strategy. The Cost of Living Adjustment (COLA) for July 2012 was discussed by Lyle Harter. Jason Dilges MOVED to modify the investment rate from 7.5 percent to 6.5 percent for the next 15 years and then 5 percent for remaining years (using the retirement calculation). SECONDED by Jim Fansler. MOTION CARRIED.

A motion by Chairman Bob Riter to approve and send the Board's Annual Report to the Legislative Retirement Laws Committee was MOVED by Jim Fansler. SECONDED by Mike O'Brien. MOTION CARRIED.

The Board also asked Principle to explain the current investment strategy and if a change is needed. David Fee commented that based on today's presentation he would not recommend an asset allocation change. Therefore, the Board has decided to stay with the current strategy at this time.

As of July 1, 2012 the COLA is awarded based on this data:

1. The Actuarial Liability as of July 1, 2011, is \$55,470,085.
2. The Plan Assets as of April 30, 2012, were \$58,322,923.
3. The Percent of Increase of the Consumer Price Index is 2.38.
4. The COLA beginning July 2012 is 3.1 percent.

DLR Secretary Pam Roberts MOVED to adjourn the meeting. SECONDED by Jim Fansler. MOTION CARRIED.