

**South Dakota Department of Labor
Employees' Retirement Board Meeting
September 28, 2010**

The South Dakota Department of Labor Employees' Retirement Board (ERB) met on September 28, 2010, with DDN locations in Pierre, Aberdeen, Rapid City, and Sioux Falls.

Members Present

Bob Riter, Jr., Chair
Jim Fansler
Art Lanham
Pam Roberts

Absent

Jason Dilges

Others Present

Dick Flemmer
Lyle Harter
Monica Harding
Dawn Dovre

Chairman Riter called the meeting to order, and roll call was taken by secretary Monica Harding. Jim Fansler MOVED approval of the minutes from the August 19, 2010, ERB meeting as prepared. SECONDED by Pam Roberts. MOTION CARRIED.

A public hearing was held on the proposed plan amendment to reinstate the disallowed COLA. Two Options were discussed:

Amendment Option No. 1. Any disallowed increase in the amount of monthly retirement benefit payments may be reinstated during the following two program years (July 1 to June 30) incrementally if on April 30 the current fair market value of the Plan's assets exceeds the Plan's actuarial accrued liability as stated in the Plan's most recent actuarial valuation report. If the assets exceed the accrued liability by \$5 million but are less than \$10 million, then one-half the disallowed increase may be reinstated during that year. The remaining disallowed increase will be eligible for reinstatement the following year if the assets exceed the accrued liability by \$5 million for that following year. If, during either year, the assets exceed the accrued liability by \$10 million, then the complete disallowed increase may be reinstated during that year. All increases are subject to a majority vote of the Retirement Board.

Amendment Option No. 2. Any disallowed increase in the amount of monthly retirement benefit payments may be reinstated during the following two program years (July 1 to June 30) incrementally if on April 30 the current fair market value of the Plan's assets exceeds the Plan's actuarial accrued liability as stated in the Plan's most recent actuarial valuation report.

During public testimony the consensus of plan participants was to adopt Amendment Option No. 1.

Art Lanham MOVED the Board recommend Principal prepare an Amendment based on Option No. 1 and begin the process of notifying Plan participants of the hearing on a Plan modification. SECONDED by Jim Fansler. MOTION CARRIED on roll call vote. 4 yeas 0 nays.

Jim Fansler MOVED to adjourn the meeting. SECONDED by Art Lanham. MOTION CARRIED.