

**Minutes**  
**Employee's Retirement System Board of Trustees**  
**November 7, 2012**  
**Quarterly Meeting**

Call to Order: Chair Pro-tem Shawna Goldammer called the meeting of the Employee's Retirement System Board of Trustees to order at 8:30 a.m. at the Main Library.

Board Members Present: Cathy Bianchi  
Matt Burns  
Peggy Dant  
Shawna Goldammer  
Donn Hill  
Dave Nadolski

Board Members Absent: Angeline Lavin

Staff Members Present: Bill O'Toole, Director of Human Resources  
Tracy Turbak, Director of Finance  
Thomas Huber, Assistant Director of Finance  
Gail Eiesland, Deputy City Attorney  
Angie Uthe, Compensation & Benefits Manager  
Kathy Pottebaum, Benefits Technician

Others present: Firefighters' Pension Fund Board of Trustees members: Randy Farland & Matt McAreavey  
Howard Pohl - Becker, Burke & Associates  
Louise Gates – Gabriel Roeder Smith & Co.

The Employee's Retirement System Board of Trustees and the Firefighter's Pension Fund Board of Trustees met in joint session.

**A motion was made by Dant, seconded by Bianchi, to approve the August 1, 2012 meeting minutes. Motion carried unanimously.**

Howard Pohl presented the Board with the 2012 third quarter performance report. The market value of the Plan increased from \$287.1 million to \$301.3 million. The funds had a rate of return of 5.2% in the third quarter compared to the 4.9% median of the Becker, Burke Plan universe. The annual return was 21.0% compared to the median of 18.1%. Results for the past five years of 3.6% were above the 2.5% median. The Total Plan had 50% of its quarter end assets with domestic equity managers, 16% with international developed markets, 3% with international emerging markets, 25% in domestic bonds, and 6% in real estate. The total plan had top quartile performance relative to all plans in the quarter and was in the top decile for the year. It was top quartile for five years. Risk, as measured by the fluctuation of quarterly returns was top quartile, while the reward/risk ratio was above average.

Pohl also reviewed the board's annualized returns from December 31, 1994, through September 30, 2012, illustrating the following results:

<b>Total Fund</b>	<b>8.3%</b>
Domestic Equity	8.6%
S&P 500	7.5%
International Equity	6.5%
EAFE	3.9%
Fixed Income	8.1%
Barclays Aggregate	6.9%

Tom Huber briefly discussed the current asset allocation of the portfolio compared to target range. No action needed.

Bill O'Toole gave an update on the employee election results and South Dakota Retirement System Board meeting.

Louise Gates discussed the proposed actuarial projects and timeline associated with the approved plan design changes.

**A motion was made by Nadolski, seconded by Burns, to authorize Gabriel Roeder Smith and Company to conduct an Actuarial Study on Future Assumptions and Methods as a result of the plan design changes. Motion passed unanimously.**

The 2013 quarterly meeting schedule was approved as follows: February 6, May 8, August 14 and November 6.

**A motion was made by Bianchi, seconded by Nadolski, to adjourn the meeting. Motion passed unanimously.**

The Board adjourned at 10:45 a.m.

Respectfully submitted,

Angie Uthe  
Recording Officer