MEMBERS PRESENT: Ms. Elizabeth Bissa, Chairperson  
Ms. Cathleen Gleason, Vice Chairperson  
Mr. Jeff DeWitt, Board Member  
Mr. David Hensley, Board Member  
Mr. Lionel Lyons, Board Member  
Mr. Rick Naimark, Board Member  
Mr. Randy Piotrowski, Board Member  
Mr. Leslie Scott, Board Member  
ABSENT: One Vacancy  
ALSO PRESENT: Ms. Gail Strohl, Retirement Program Administrator  
Ms. Paula Whisell, Recording Secretary  
Ms. Anna Martinez, City of Phoenix Employees’ Retirement System (COPERS)  
Ms. Jackie Temple, COPERS  
Mr. Greg Fitchet, COPERS  
Atty. Stephanie Hart, Law Department  
Ms. Barbara Trollope, Finance Department  
Ms. Sally Valenzuela, Finance Department  
Ms. Amber Williamson, Budget & Research Department  
Ms. D’Ann O’Bannon, Administrative Supervisory Professional & Technical Employees Association (ASPTEA)  
Mr. Erich Buschmann, Candidate  
Mr. John Hedblom, Candidate  
Mr. Bill Hallmark, Cheiron  
Ms. Elizabeth Wiley, Cheiron  

The City of Phoenix Employees’ Retirement Board met at 17 S. 2nd Avenue, 2nd Floor Subcommittee Room, Phoenix, Arizona on October 17, 2013, at 2:30 p.m., to conduct regular business.

1. Call to Order  
Chairperson Bissa called the meeting to order at 2:33 p.m.

2. Approval of Retirement Board Meeting Minutes of August 15, 2013  
Mr. Piotrowski moved approval of the minutes of the August 15, 2013 Retirement Board meeting. Mr. Hensley seconded the motion. The motion carried unanimously.

3. Consideration of Request From Linda Chapman Regarding Naming Someone Who Has a Non-Presumptive Incurable Interest  
Chairperson Bissa stated additional information from Ms. Chapman had been provided to the Board.
Ms. Strohl stated a list of people was adopted who can have a presumptive insurable interest. She explained if you want to name your daughter as your survivor they would have a presumptive interest but if it was your next door neighbor they would not. She stated if you have someone who had a non-presumptive insurable interest then it has to come before the Board for approval. She stated in this case it was an 11 year old niece.

Mr. DeWitt moved to convene in executive session at 2:36 p.m. for discussion of item 3. Mr. Piotrowski seconded the motion. The motion carried unanimously.

[Executive Session took place]

The Board convened in open session at 2:44 p.m.

Ms. Chapman entered the room.

Chairperson Bissa stated the Board was considering Ms. Chapman’s request for her niece to be named her survivor. She stated the Board was looking at her documentation and wanted to make sure this was Ms. Chapman’s choice and no one was convincing her to do this.

Ms. Chapman stated she had gone to those Planning Your Tomorrow meetings and heard about the presumptive interest. She stated she heard if you submit a letter there was a possibility with Board approval you could name someone other than who was on the list as your survivor.

Mr. Piotrowski asked Ms. Chapman if she realizes her retirement benefit will be reduced considerably because her niece was so young. Ms. Chapman stated she talked to someone a month ago about this and they showed her what she would receive. She stated based on that information she want to do it. Mr. Piotrowski stated the Board just wants to make sure Ms. Chapman has full information to make an informed decision.

Mr. DeWitt stated it was a 40% reduction in her retirement benefits because Ms. Chapman’s niece was 11 years old. Ms. Gleason stated you could buy a lot of life insurance for her niece for that.

Mr. Hensley stated he has worked with people who have taken their full retirement and then taken out private life insurance policies instead which was a more economical alternative than doing survivor benefits. Ms. Chapman stated she was not familiar with life insurance.

Ms. Gleason stated Ms. Chapman may want to talk to a financial advisor and show them both estimates one where she does not name her niece and one where she does name her. She stated then find out what kind of life insurance she could purchase. She stated it might financially make more sense to do that but Ms. Chapman would want to talk to a financial advisor. She stated Ms. Chapman should do that before she finalizes her retirement papers. Ms. Chapman stated she was retiring on October 21, 2013.

Ms. Chapman stated she was told she would receive $1,948 a month. She stated she was getting about that same amount from Social Security.

Mr. DeWitt stated Ms. Chapman should look at it if she does not name her niece as a survivor how much more she will receive. Ms. Chapman stated she was told it would be $2,940 per month. Ms. Gleason stated $1,000 a month would buy a lot of life insurance much more than the niece would ever get from this benefit. She stated what Ms. Chapman was giving up in benefits to this would buy a lot of life insurance that would
provide more financial help to her than this benefit would. She stated Ms. Chapman should talk to a financial advisor and have them look at this with her before she makes the final decision because she may not be providing as well for her as she could if she goes this route.

Ms. Gleason asked Ms. Chapman if she banked with Arizona Federal Credit Union. Ms. Chapman stated she does bank at Arizona Federal Credit Union. Ms. Gleason stated the credit union has financial advisors who can provide advice to her and she could get in there before the 21st and talk to them. She stated she would seriously recommend that because Ms. Chapman needed to have someone give her some objective advice on the numbers because staff cannot advise her what to do, they can just tell her what the numbers are.

Ms. Chapman stated she had no idea about the life insurance that they can give you out monthly payments on life insurance. Ms. Gleason stated you can do it as an annuity or you could just buy $500,000 in life insurance and then someone in her life would have to be responsible for the money.

Mr. Naimark moved to grant Ms. Chapman’s request to name her niece as her survivor. Mr. Hensley seconded the motion. The motion carried unanimously.

Ms. Chapman left the room.

4. **Interviews and Possible Appointment of Citizen Board Member**

   a) Erich Buschmann
   b) John Hedblom

Mr. Naimark moved to convene in executive session at 2:55 p.m. for discussion of item 4. Mr. Piotrowski seconded the motion. The motion carried unanimously.

[Executive Session took place]

The Board convened in open session at 3:50 p.m.

Mr. Lyons moved to offer Mr. John Hedblom the Citizen Member position on the Board. Mr. DeWitt seconded the motion. The motion carried unanimously.

5. **Consideration of Preliminary Actuarial Valuation as of June 30, 2013 – Presentation by Cheiron, Inc.**

Mr. Bill Hallmark and Ms. Elizabeth Wiley approached the table.

Mr. Hallmark stated today Cheiron was presenting some preliminary results. He stated Cheiron recently received an update on the assets which was not reflected in materials.

Mr. Hallmark stated for the valuation Cheiron always start out with their tank illustration because in the valuation process they end up measuring the tank to determine the size of COPERS’ liabilities. He stated Cheiron takes an assessment with the assumptions of what the benefits are which are going to flow out and what the investment earnings are going to flow in. He stated the main thing of the valuation is producing what they need to contribute to make everything balance out over the long run. He stated now they have Tier II.
Ms. Wiley stated the first slide was looking at the assets and the liability side. She stated instead of using the market value of assets Cheiron used a smoothed value. She stated the smoothing works. She stated the assets dropped from 2008. She stated the liabilities in the graph and everything until they tell the Board otherwise is using the assumptions that were in 2012.

Ms. Gleason stated the market value of the assets in 2008 was a big contributor to their unfunded actuarial liabilities. She asked how much of a role does the fact that their retirements have been higher than the average over the last 20 years. She stated the City now has fewer employees in the system contributing. Mr. Hallmark stated he thought it was material and there was a chart later in the material.

Ms. Wiley stated so what does that mean in terms of contributions. She stated the smoothing flows into the contributions which helped provide stability for budgeting. She stated in the 2014 calculation it shows the Tier II rate at 13.62%. She stated Tier II does not have any experience yet because it was 6/30/2012 and there were zero Tier II members. Ms. Strohl stated the years had been cut off on the bottom of the chart.

Ms. Wiley stated the golden bars were looking at your gains or losses coming from investments. She stated the gray bars are the actual experience of the Fund. She stated the green line takes those two pieces and sums them together and shows the net experience.

Mr. Piotrowski stated in 2010 the yellow bar went down so their smoothed actuarial value of assets went down. Ms. Wiley stated versus what was anticipated it was $160 million less than what was anticipated. She stated for the yellow bars to be zero it does not mean that you had no earnings.

Mr. DeWitt stated so could you interpret that the green lines are returns below expected values. Ms. Wiley stated the green lines were your net actuarial position. She stated in COPERS’ case there were very few years where they have a net actuarial gain. Mr. Hallmark stated each time they do a valuation they have the actuarial liability and the actuarial value of assets on the valuation. He stated Cheiron then has an expectation of how those will change to the next year. He stated this shows the variance from that expectation.

Ms. Wiley stated before 2009 there was a pattern of liability losses. She stated if you look at the pension equalization reserve (PER) and when it was being paid, because this was not being valued back then. She stated she would hazard to guess a large source of these liability losses are payment for the PER. She stated had the Board been valuing it all along she does not think COPERS would have such a pattern of consistent liability losses.

Ms. Wiley stated Cheiron identified sources of actuarial gains/losses. She stated the salary gain is quite significant. She stated there was a $34 million gain on the salaries. Mr. Hallmark stated meaning your pay increases were lower.

Ms. Wiley stated with an individual valuation you only get so much information. She stated it was part of why you do an experience study. She stated the path to where you get there matters as well as the end result.

Ms. Wiley stated there was a 2.1% drop in the active member payroll. She stated if you look at the average pay per member for the prior year it actually went up 3.3% but in the upcoming year they are expecting a 0.7% increase for the average individual member.
Mr. Naimark asked does that include merit. Ms. Wiley stated it was everything. Mr. Naimark stated the assumption just for cost of living was 5%. Mr. Hallmark stated when you are looking at it in aggregate the 5% is the right comparison because you expect people to get the merit but you expect people to leave and come in at the bottom of the pay scale.

Ms. Wiley stated the total membership of actives dropped 2.8% which was feeding into the salary dropping. She stated the terminated vested membership was 13.1% higher and service retirees were 4.4% higher.

Ms. Wiley stated there were no assumption changes. She stated if you look at actuarial liability it has gone up $116.2 million, about a 4% increase. He stated the unfunded actuarial liability (UAL) was down $18.1 million about a 1.6% drop fueled with asset growth and salary change. She stated for the funded ratios there was a small change of 2%.

Mr. Hallmark stated there was some confusion between Cheiron and the Board over the effective date for the assumption changes. He stated he wanted to clarify the understanding and make sure they were all on the same page. He stated Cheiron understand that the assumption changes were effective for the contributions they are calculating for fiscal year 2014/2015. He stated they are effective for financial reporting for fiscal year 2013/2014, the first year you implement GASB 67. He stated the Board wants to use the old assumptions for the financial reporting as of June 30, 2013.

Mr. DeWitt stated COPERS was unusual because most people are a year behind, and they are current. Mr. Hallmark stated almost everyone else is at least a year behind. He stated for the future it will be GASB 67/68 driven so it was not an issue.

Mr. Hallmark stated to summarize the assumption changes the Board made was they are valuing the PER as a 1.5% compound annual COLA, reduced the expected return on assets from 8% to 7.5%, wage inflation went from 5% to 3.5%, price inflation went from 4.5% to 3%, and changed the amortization. He stated all the amortizations are a level percentage of pay but are now closed with 25 year amortization for the existing UAL and the assumption changes 25 years with a four year phase-in. He stated they do not have any new gains or losses in this valuation. He stated the big impact of all those changes is an increase in the actuarial liability of $424 million. He stated there is a slight increase in the actuarial value of assets because before they were valuing the PER they were excluded those assets which were currently in the PER from the valuation. He stated now they are valuing the assets and there was about $600,000 in there. He stated the UAL increases from about $1.1 billion to $1.5 billion and the funded ratio goes down from 64% to 56%. He stated the normal cost rate for Tier I increases from 13.2% to 14.7%. He stated the projected payroll which they are only expecting the payroll to grow 3.5% is actually a little low.

Ms. Strohl stated the 64.2% will be in the June 2013 CAFR.

Mr. DeWitt stated these are some large changes. He stated moving forward they are valuing the COLA, which was one of reasons why COPERS was having negative experience. He stated they are using a discount rate which was more achievable than 8%. He stated if the Board chose not to do these things and GASB 68 rolls around in 2015 they would be using a really low discount rate and their unfunded liability would not go up $400 million it would go up a few billion dollars. Mr. Hallmark stated depending on where the current bond rates are at the time.
Mr. Hallmark stated when Cheiron calculates the actuarial liability it was not a real number in terms of the liability which you pay off, it was how much they think based on all of their assumptions about what was going to happen.

Mr. Lyons stated if someone saw the 64.2% number without the context of what the Board was being told they would say the sky was falling. He stated Cheiron was saying this was closer to the real value versus what they had as the perceived. Mr. Hallmark stated they were all estimates on how much money was needed in order to pay these benefits down the road. He stated all Cheiron has done is change the long term estimate, it does not affect the assets that are in the system. He stated the decrease from 64% to 56% is simply Cheiron reassessing what they need as their long term target.

Mr. DeWitt stated the challenge is for the Board as fiduciaries of the Plan to create a long term budget plan based upon assumptions they feel are achievable and reasonable. He stated they have $2 billion in assets to pay their current and future retirees and a plan which pays the unfunded liability down responsibly over time using the benefits of pension reform and everything else to add a have a long term sustainable pension program.

Mr. Hallmark stated before Cheiron puts together the whole contribution package based on those things, they need to have an assumption for Tier II. He stated to develop what a Tier II contribution rate would be, their normal cost rate is essentially the only thing which was going to go in. He stated as of this valuation they have zero Tier II employees. He stated for this fiscal year Ms. Wiley showed the Tier II contribution rate as 13.62%. He stated Cheiron uses projections and over that 30 year period they computed an average rate of 15.5%. He stated for the valuation of Tier II Cheiron was assuming 15.5% contributions going forward. He stated other changes in Tier II were a change in retirement eligibility and the multipliers. He stated in terms of retirement eligibility the main change is the Rule of 80 which changed to the Rule of 87. He stated the multipliers for Tier II are higher than for Tier I.

Mr. Lyons stated it appears to him people stayed longer past their retirement eligible date in the past than what the perception that he was getting now. Mr. Naimark stated that was his observation too. He stated he does not know if that was throughout the City organization or at the higher ends of the organization. Mr. Hallmark stated it was not confined to the City of Phoenix.

Mr. Hallmark stated given these changes Cheiron thinks there are some changes to the retirement rates the Board should make. He stated Cheiron does see some potential issues and they will look into those in much more detail when they do an experience study.

Mr. Hallmark stated Cheiron was recommending no retirement assumption changes for Tier II members who do not satisfy the Rule of 87. He stated they will use the existing retirement assumptions. He stated if they do satisfy the Rule of 87 it was going to be a smaller group of people who are going to have more service and a higher benefit. He stated for those people who actually satisfy it Cheiron was recommending rates which are approximately 40% higher than the current rates of retirement. He stated for example someone who was age 52 to qualify for the Rule 87 would have to have 35 years of service so they started at age 17. He stated at 35 years of service they have a benefit of about 80% of final average pay. He stated there was a substantial chance they are going to retire. He stated the current assumption for someone age 52 would be 25% and Cheiron was suggesting increasing it to 35%.
Mr. Naimark asked if there was any value in examining the retirement rates of Arizona State Retirement System (ASRS) members. Mr. Hallmark stated ASRS has the Rule of 85 and they have a much more complex structure for their retirement rates based on age and service. He stated when Cheiron does an experience study they will look at how ASRS' rates compare to COPERS.

Mr. Hallmark stated for Tier I they have 14.7% as a normal cost rate and Tier II is 18.8%. He stated there was largely an offset between what they ended up with regarding retirement rates, the multiplier and the additional years of service. He stated the big change was under termination 5.74% versus 2.35%. He stated this was being driven by the employee contribution rates. He stated if you are contributing 15.5% of pay instead of 5% of pay your refund benefit is going to be much larger.

Mr. Hallmark stated Cheiron calculated these numbers just on Tier I employees hired since June 30, 2008. He stated Cheiron was taking recent hires as a proxy for what Tier II hires will look like demographically. He stated for your entire group of Tier I the average age at hire was about 34, for that group it was 37.

Mr. Hallmark stated to develop the contribution rate they will look at how they develop the UAL rate first and then put the pieces together. He stated Cheiron started with a $1.1 billion UAL, which was before the assumption changes. He stated they calculated a 25 year amortization which was about $69 million using a level percent of pay. He stated this translates to 13.1% of pay. He stated then Cheiron put in the assumption changes which were $423 million. He stated this number is a lot smaller because they are using the four year phase-in so it was one quarter of what it would be otherwise. He stated it was 1.27%. He stated add those two together which gives them 14.36% of pay as a contribution towards the UAL. He stated they put together the total normal cost rate and the total UAL rate to get a total contribution rate. He stated the Tier II employees pay half of that so it was divided in half to get a 14.81% rate for Tier II members, and Tier I members pay 5%. He stated they had actual projected contribution amounts applying those numbers and calculating an average member and average City rate. He stated the City rate on average would be 23.3% which compares to the 22.2% for the prior year and they are estimating about $127 million versus the $125 million form the prior year.

Mr. DeWitt asked is this the official contribution the City must pay. Mr. Hallmark stated this was the preliminary version because Cheiron needs to adjust it for the additional $300,000 in assets.

Mr. Hallmark stated 2013/2014 they did not have $115 million in their report because they did not know about Tier II. He stated so this $115 million represents their estimated Tier II payroll for 2013/2014 and their contributions.

Mr. Piotrowski asked how is the $115 million compared to the $125 billion. Mr. Hallmark stated the $125 million did not include any Tier II members. He stated in last year’s valuation they did not have any Tier II people so they did not do any calculations related to Tier II. He stated Tier II had not been passed yet. He stated the $125 million is 22.24% of expected payroll. He stated it was the 27.24% minus the 5% member rate.

Mr. Piotrowski asked what are we contributing. Ms. Wiley stated you have a difference in the source of where things came from because pension reform makes the Tier II people pay half as of the date but it did not exist in calculating the 2012 valuation.

Mr. Piotrowski asked the $127 million is for when. Mr. Hallmark stated for 2014/2015 they are looking at $127 million.
Mr. Hallmark stated Cheiron had a discussion about what to do for Tier II’s implementation and the only thing they did was calculate 13.62%. Mr. Piotrowski stated so the actual 2013/2014 City contribution is going to be $115 million.

Mr. Hallmark stated what they ended up with is the City was going to pay 22.24% of Tier I payroll and 13.62% of Tier II payroll, but they do not know what those payrolls are. He stated in the past you have looked at the dollar amount and contributed a dollar amount. He stated the discussion about Tier II the code talks about a percent of pay contribution. He stated the contributions are a percent of pay numbers and the estimated amount is the $127 million.

Mr. Hallmark stated the way the municipal code is now written that your actuarially determined contribution is 24.61% times Tier I actual payroll but 14.81% times actual Tier II payroll. He stated whatever dollar amount that turns out to be that is what it is. He stated the $126.8 million was an estimate of what they think it will be.

Ms. Gleason stated the Budget Department needs to know there was a different way to calculate this contribution. Mr. DeWitt stated Finance use to do a percent from the actuary, put it in and in February see where they are in terms of making the actuarially required contribution (ARC) and they would adjust the City’s contribution to achieve the ARC for the remainder of the year. He stated they can no longer can do that because they would end up changing the Tier II’s employee’s number in the middle of the year.

Mr. Hallmark stated Cheiron will put together the final report with the additional $300,000 and the minor adjustments and the Board will have the report to approve at the next meeting.

Mr. Hallmark and Ms. Wiley left the room.

6. **Update on Pension Reform**

Mr. Naimark stated in the materials was a letter to employees which summarizes the recommendations of the Subcommittee. He stated the Subcommittee was recommending to the full Council to be more specific in defining what is in and what is not in the definition of compensation for the purposes of calculating pension for COPERS members. He stated the items recommended to be included are base salary, wages, premium pay, overtime pay, comp time, longevity and performance pay. He stated what they are recommending to the Council to be excluded in the future is the allowances which consist of communication, transportation and lump sum payouts of accrued sick leave upon retirement. He stated they are not recommending a change in the sick leave snapshot. He stated what they are suggesting is that current employees’ vacation leave balances as of the date of implementation would continue to have the vacation leave paid out included in their retirement. He stated some employees receive a retirement contribution reimbursement and they are recommending it not be included in compensation for the purposes of calculating retirement. He stated left unsaid is whether deferred compensation is in or out of that conversation. He stated they did ask to come back with changes related to the deferred compensation for future employees.

Mr. Naimark stated the Subcommittee did take the Board’s recommendation to work with an actuarial consultant to model the impact of changes to the pension system. He stated the Board also recommended they apply things only to new employees, but that is not the course of action they are taking. He stated the implementation dates are recommended to be July 1, 2014, except for anything for executives and middle managers that would legally and practically be administered in January 2014.
Ms. Gleason asked about the date for the vacation snapshot. Mr. Naimark stated they did not specify snapshot but essentially it would be how they would implement it. He stated he thought it was July 1, 2014, but if it was practical January 2014 for executives and middle managers.

Chairperson Bissa stated 450 hours is the amount which you can do but you cannot carry forward 450 hours. She stated if they do a snapshot on December 31, 2013 unless you are willing to lose 50 hours of vacation to get the 450 hours as your snapshot. Ms. Gleason stated you should be able to carry over up to whatever you have on the snapshot.

Mr. Naimark stated all of this would be going to the City Council on Tuesday. He stated he was trying to keep track of the key issues.

Mr. Naimark stated with regard to the labor units anything affected by the MOU’s would be subject to negotiations. He stated the only group for which you do not have to negotiate is the executives and middle managers.

Mr. DeWitt stated as fiduciaries their primary responsibility is to make sure whatever the City Council does that it gets valued. Mr. Naimark stated if the Council gives direction next week it will not be implemented yet because they have to do things like change pay ordinances and Administrative Regulations. He stated there would be an opportunity to have the modeling information before a final decision and implementation is made.

Ms. Gleason asked what is the City’s plan for reimbursing employees for the contributions they have made on something which is no longer going to be pensionable. Mr. Naimark stated he did not know there was a plan to do that and the Board made it clear in the letter they do not want any impact to the retirement fund.

Mr. Naimark stated the Council saw the Board’s letter and there is an awareness there might be legal actions related to any of these things and there is some interest in the issue of do you need to pay people back or not and how do you do it. He stated administratively it was incredibly hard to do and there is an awareness it would probably have to come from the City budget.

Mr. DeWitt stated a question for them as Board members is what is their fiduciary responsibility that they have not already expressed in the current letter that they need to do.

Mr. Naimark moved to convene in executive session at 5:13 p.m. for discussion of item 6. Mr. DeWitt seconded the motion. The motion carried unanimously.

[Executive Session took place]

The Board convened in open session at 5:26 p.m.

No action was taken.

7. Update on COPERS’ Website

Ms. Strohl stated staff was going to have some assistance in updating their website. She stated included in the materials were some suggested changes to the website.
Ms. Gleason stated these changes would be huge improvement if they can actually get them done. Ms. Strohl stated the changes could be implemented in phases. She stated a couple months ago COPERS’ website address was changed to phoenix.gov/copers.

Mr. DeWitt moved to proceed with the changes as outlined and to keep the Board informed about the progress. Mr. Piotrowski seconded the motion. The motion carried unanimously.

8. Review and Possible Revision to Policy 181 – Board Training Policy

Ms. Strohl stated with a new Board member coming on board she has taken a look at what was done for new Board members. She stated wanted the Board to review the current policy to see if any changes needed to be made. She stated the Board could make it mandatory to attend a conference. She stated another suggestion was an annual Board retreat or workshop in addition to the conference where you spend one day on training and other Board issues.

Ms. Gleason stated this would be the most likely way of ensuring all Board members received at least some training every year because not everybody is going to be able to or want to go a conference and it was expensive.

Ms. Strohl stated travel had been approved to be paid out of Plan assets but they still need to be careful about the travel. She stated when the Board was making such large commitments of resources it was important they are educated about investments.

Mr. DeWitt stated awhile ago he was invited to speak at a conference in New York. He stated the things he learned were beyond what he can learn here as a Board member. He stated as new members are brought on he thinks the Board should have a mandatory actuarial training. He stated he thought a retreat where you go over relevant topics to keep the Board together and trained was a good idea. He stated if you do not do training when you look at this Board 10 years from now there will be seven private sector members on here instead of employees. He stated this was not healthy because their interest will not be in the member’s interest, it will be political interest. He stated in a prudent way Board members should have to go to a conference as part of their responsibility, which could be regional or local. He stated as a future retiree he would want to know Board members are being informed of what other plans are doing.

Mr. DeWitt stated Ms. Strohl should bring forward a recommended training structure for the Board to discuss in the future.

Ms. Gleason stated she likes the idea of an annual retreat. She stated fiduciary, ethics, and actuarial training could be done at a retreat. She stated maybe make it mandatory.

Ms. Strohl stated she would draft up some language and bring it back to the Board at a later date.

9. Consideration of Possible 2013 Post Retirement Distribution (13th Check) – Preliminary Review

Ms. Gleason asked when money was put into the reserve. Ms. Temple stated if any money was going into the reserve it was usually done in March of each year.

Mr. Naimark moved to approve no 13th check payment for 2013. Mr. Hensley seconded the motion. The motion carried unanimously.
10. **Consideration of Requests for Service Credit (Buyback) Forfeited Due to Refund of Member Contributions**

Mr. Naimark moved approval of the buyback request. Ms. Gleason seconded the motion. The motion carried unanimously.

a) Susan Watson

11. **Consideration of Requests for Transfer of Member Credited Service From COPERS to Arizona State Retirement System (ASRS)**

Mr. DeWitt moved approval of the transfer request. Mr. Hensley seconded the motion. The motion carried unanimously.

a) Shannon Collins

12. **Consideration of Transfer and Possible Purchase of Arizona State Retirement System (ASRS) Service**

Mr. Lyons moved approval of the transfer request. Mr. DeWitt seconded the motion. The motion carried unanimously.

a) Mary Pineda-Wimmer

13. **Consideration of Requests for Purchase of Service Credits Pursuant to Board Policy 180**

Mr. DeWitt moved approval of the service purchase requests. Mr. Piotrowski seconded the motion. The motion passed unanimously.

a) In-State/Out-of-State/Military
   1) Carlos Monreal
   2) Sandra Vasquez-Flores

14. **Bills to be Paid**

Mr. Piotrowski moved approval of the payment of the bills. Ms. Gleason seconded the motion. The motion carried unanimously.

**Plan Expenses**

a) Aberdeen
   2nd Quarter 2013 Fees $105,372.48

b) Levi, Ray & Shoup, Inc.
   Maintenance & Support (11/17/13 to 11/16/2014) $165,584.09

c) R.V. Kuhns & Associates
   3rd Quarter 2013 Fees $ 47,907.45

d) State Street
   August 2013 Fees $ 12,193.21
15. **Refunds Through September 30, 2013**
   Chairperson Bissa stated this item was informational.

16. **Report of September 2013 Retirees and October 1, 2013 Payroll**
   Chairperson Bissa stated this item was informational.

17. **Treasurer’s Report as of September 30, 2013**
   Chairperson Bissa stated this item was informational.

18. **Pending Legal Opinions**
   Chairperson Bissa stated this item was informational.

19. **Administrator’s Report**
   a) **Member Attendance Report for 3rd Quarter 2013**
      Ms. Strohl stated the report was informational.
   b) **Update on IRS Determination Letter**
      Ms. Strohl stated COPERS was in Cycle C, the government cycle, which ends at the end of January 2014. She stated by the end of October staff was suppose to have a draft document to review. She stated there was a public notice which goes out at least 10 days before the application is filed to active employees.

      Mr. Naimark thanked Ms. Temple for her service to the City.

20. **Consideration and Possible Action Regarding Frank Piccioli, et al. v. City of Phoenix, et al., CV 2012-010330**
    No action was taken on this item.

21. **Future Agenda Items**
    No new future agenda items were requested.

22. **Call to the Public**
    There was no response to the call to the public.

23. **Next Board Meeting: Thursday, November 21, 2013 at 2:30 p.m.**
    Chairperson Bissa stated this item was informational.

24. **Close Session**
    The meeting adjourned at 5:45 p.m.
Gail Strohl
Retirement Program Administrator

Paula Whisel
Recording Secretary

APPROVED:

Ms. Elizabeth Bissa, Chairperson
COPERS Retirement Board

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