

Meeting Minutes
DEPARTMENT OF LABOR EMPLOYEE RETIREMENT BOARD
Missouri River Plaza, Sharpe Conference Room
123 W. Missouri Ave., Pierre, SD 57501
November 6, 2019 9:30 a.m. CST

Chairman Riter called the meeting to order at 9:50 a.m. CST. Jennifer Kamps called the roll. A quorum was present.

Members Present: Chairman Bob Riter, Mike O'Brien, James Reeve, and Secretary Marcia Hultman

Present in Pierre: Emily Ward, Jennifer Kamps, Doug Fiddler, Amber Mulder, Ken Henricks, Rob Wiley, Jacque Storm, Travis Almond, Pamela Hericks

Present via Phone Conference: Michael de Leon, David Fee, Paul DeWitt

Present via DDN: Dan Boone, Jane Medhaug, Betty Likness, Sharmie Jensen, Kermit Born, Teresa Knoll, Peggy Jeschke, Diane Giblin, Sharon Schnabel, John Bender, Cindy Herr, Irene Kaiser, Dennis Kaup, Deb Gardner, Marcia Miller, Dennis Coull, Jim Fansler, Robin Fansler, Judy Green, Dale Bendewald, Elaine Sullivan, and Maureen Klautd

James Reeve made a motion to approve the October 3, 2019, meeting minutes with the suggested edits made by Secretary Hultman. Mike O'Brien seconded the motion. **MOTION PASSED.**

Emily Ward, Administrative Services Director for the Department of Labor and Regulation (DLR), presented an update on the process to merge the Department of Labor Employee Retirement Plan with the South Dakota Retirement System (SDRS). Legislation has been drafted by DLR for the 2020 South Dakota Legislative Session to move all Plan members into a new class (Class D) created by SDRS. The funds from the Plan would also move to SDRS. Plan members' SDRS benefits would take effect on June 30, 2020. The annual COLA increase would be the same as the other SDRS members receive. If SDRS becomes underfunded, corrective action by the system for Class D members allows reduction or elimination of the COLA unless the Legislature takes corrective action due to extreme underfunding.

If the drafted legislation passes, the merger would take effect on July 1, 2020. The July 1, 2020, COLA increase would be the same as the other SDRS members. SDRS, DLR, and Principal are developing the process to switch payments to SDRS.

With Board approval, DLR will conduct a vote of the Plan members by mail. Two-thirds of supportive votes (136 of 203 members) is required per law for SDRS to support the merger. The memo enclosed with the ballots requests the ballots be returned by November 22. Final count of the votes will be made prior to the SDRS Board meeting on December 4.

Chairman Bob Riter opened the meeting to public questions and discussion. Numerous Plan members in attendance expressed support for the merger and interest in communicating with other Plan members. No meeting attendees expressed opposition to the merger.

James Reeves made a motion to proceed with the vote of the Plan members to merge the Department of Labor Employee Retirement Plan with SDRS as proposed. Mike O'Brien seconded the motion. **MOTION PASSED.**

Ballots will be mailed by DLR at the conclusion of the meeting and Director Ward will work with Principal on a letter to alert Plan participants about the ballot. DLR will also send an email to the Plan participants subscribed to the public meeting e-lets to make them aware of the upcoming mailing.

Mike O'Brien motioned to approve DLR to represent the Board by proceeding with the draft legislation if a two-thirds vote is received by December 4. James Reeves seconded. **MOTION PASSED.**

The Board reviewed the memo and ballot.

Secretary Hultman motioned to send out the memo as edited by the Board. Mike O'Brien seconded the motion. **MOTION PASSED.**

Mike O'Brien motioned to send out the ballot as edited by the Board. James Reeves seconded. **MOTION PASSED.**

James Reeve made a motion to adjourn. Mike O'Brien seconded the motion. Meeting adjourned at 12:00 p.m. CST.