



**SPECIAL MEETING**  
**PUBLIC EMPLOYEES' RETIREMENT BOARD**

**September 29, 2010**

President John Nielsen called the special meeting to order at 9 am Wednesday, September 29, 2010. Roll call was taken with six members of the Board present via telephone, Mr. Moore was excused. Board members and staff present were:

John Nielsen, President  
Terry Smith, Vice President  
Darcy Halpin, Member  
Patrick McKittrick, Member  
Dianna Porter, Member  
Timm Twardoski, Member  
Roxanne Minnehan, Executive Director  
Melanie Symons, Chief Legal Counsel  
Ursula Hatfield, Executive Assistant

**OPEN MEETING**

Bradie Barr (via telephone), Aegon; and Patricia Davis, Member Services Bureau Chief, joined the meeting.

**Public Comment on any subject of interest not on the Board agenda.** No comments were given.

**Aegon Contract – Fee Increase – Patricia Davis**

Aegon is increasing their fees from 15 to 20 basis points, as of October 1, 2010. The last time fees were increased were 2009 prior to contract renewal. Ms. Barr gave two reasons for the increase of basis points: 1) the cost of capital has increased due to the financial crisis, and 2) supply and demand of wrap providers.

Ms. Davis explained she requested this special meeting, that this increase would prevent a mid-quarter crediting rate adjustment to members. This would have less impact to our members. The credit rate for the fourth quarter is being set. The current credit rate for the third quarter is 2.84%.

Ms. Barr explained it is possible, due to the positive returns, the credit rate will calculate higher in spite of the basis point increase.

Motion: Vice President Terry Smith moved the Board approve to increase the Aegon fee from 15 basis points to 20 basis points, effective October 1, 2010.

Second: Ms. Darcy Halpin

Ms. Porter asked if there will be another increase. Ms. Barr explained that Aegon does not intend to increase fees in the near future.

Vote: 6/0

Vice President Smith asked Ms. Davis and Ms. Symons about the Stable Value discussions at the NAGDCA Conference. He asked specifically, if our options have increased. Ms. Symons attended that session and explained that some stable value providers are leaving the market, while others are entering. She also explained that we have one of the best products and are doing well for our members.

### **Next Board Meetings**

Thursday, October 14, 2010  
Wednesday, November 10, 2010  
Thursday, December 9, 2010

### **ADJOURNMENT**

There being no further business before the Board, President Nielsen adjourned the meeting, at approximately 9:15 am. Next regular meeting will be Thursday, October 14, 2010 at 8:30 am.

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John Nielsen, President

ATTEST:

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Roxanne M. Minnehan, Executive Director