



**COLORADO  
PERA®**

**Colorado Public Employees' Retirement Association  
Board Meeting Minutes**

1301 Pennsylvania Street

Denver, Colorado

May 29, 2009

8:30 a.m.

**Trustees Present:** Mark Anderson, Board Chair, Sara Alt, Vice Chair, Susan Beeman, James Casebolt, M. Judy Chavez, Howard Crane, Richard Delk, Cary Kennedy, Maryann Motza, Scott Murphy, Susan Murphy, Amy Nichols, Scott Noller, Andy Raicevich, Lynn Turner, Carole Wright

**Trustees Absent:** No Trustees were absent

**Staff Present:** Karl Greve, Katie Kaufmanis, David Mather, David F. Maurek, Brenda Meidl, Jennifer Paquette, Karl Paulson, Gregory W. Smith, Meredith Williams

Mark Anderson, Board Chair, called the meeting to order at 8:30 a.m.

Mr. Anderson introduced and welcomed the newest member of the Board of Trustees, Andy Raicevich, who was appointed as the Denver Public Schools Division Ex-Officio Trustee by the Denver Public Schools Retirement System (DPSRS) Board pursuant to Senate Bill 09-282.

**Approval of Agenda**

A motion was made by Scott Noller and seconded by Carole Wright that, "*the Agenda be approved as published.*" The motion was approved.

**Approval of the April 13, 2009, and April 17, 2009, Special Board Meeting Minutes**

A motion was made by Howard Crane and seconded by Scott Noller that, "*the April 13, 2009, and April 17, 2009, Special Board Meeting Minutes be approved as amended.*" The April 13, 2009, Minutes were amended to reflect that Amy Nichols, Trustee, was not present. The motion was approved.

**Public Comment**

There was no public comment.

**Executive Committee Report**

Sara Alt, Vice Chair, reported that the Executive Committee had met the previous day and approved the March 19, 2009, Executive Committee Minutes and reviewed the February 28, 2009, and March 31, 2009, Unaudited Financial Statements and the March 31, 2009, and April 30, 2009, Budget Reports. Additionally, the Committee discussed succession management, legislative matters, reviewed the agenda for today's meeting, and discussed the potential naming of the Board Room, which was discussed during the Executive Director's Report later in the meeting.



### **Proxy Vote Disclosure Policy**

Lynn Turner, Chair, Shareholder Responsibility Committee, provided a summary of the Proxy Vote Disclosure Policy, which was transmitted to Trustees as Tab C on May 22, 2009.

The Shareholder Responsibility Committee moved that *“the Board of Trustees approve the Proxy Vote Disclosure Policy.”* The motion was approved.

### **Investment Performance Report**

Mike Sebastian, Principal, Ennis Knupp, reviewed the Investment Performance Report, which was transmitted to Trustees as Tab D on May 27, 2009. Handouts of Mr. Sebastian’s presentation and the Investment Report were provided as hard copies to the Board. Mr. Sebastian responded to questions.

### **Actuarial Valuation Report**

Thomas Cavanaugh, Chief Executive Officer, and Edward Koebel, Senior Actuary, and Eric Gary, Senior Actuary, of Cavanaugh Macdonald reviewed the annual actuarial valuation, which was transmitted to Trustees as Tab C on May 27, 2009. A handout of the report was provided to the Board. Mr. Cavanaugh and Mr. Koebel responded to questions.

The Board recessed at 10:15 a.m. and reconvened at 10:30 a.m.

### **Projection Model Update**

Mr. Cavanaugh reviewed progress of the Projection Model. The Projection Model will be available for the Board’s review at the July 24, 2009, Board Meeting. Mr. Cavanaugh responded to questions.

Scott Noller, Trustee, left the meeting at 11:08 a.m. and did not return.

### **Legislative Report**

Meredith Williams, Executive Director, provided an update on the current status of the proposed legislation timeline. The Board was provided with a hard copy of the Timeline and discussed the August Listening Tours. Mr. Williams responded to questions.

### **Senate Bills 09-66 and 09-282 Implementation**

Meredith Williams, Executive Director, and Gregory W. Smith, General Counsel, reviewed the implementation of Senate Bills 09-66, Consolidation of the State’s DC Plans into PERA, and SB 09-282, the Merger of DPSRS with PERA.

Mr. Williams introduced Richard Krough, PERA’s Application Development Project Manager, who will oversee the transition of the State’s DC Plans to PERA. Mr. Smith provided an update on the status of the implementation of Senate Bill 09-66 and responded to questions.

Mr. Williams provided an update regarding the status of the implementation of Senate Bill 09-282, which will become effective on January 1, 2010.

Cary Kennedy, Trustee, left the meeting at 11:58 a.m.



The Board recessed at 12:01 p.m. and reconvened at 12:37 p.m.

#### **457 Plan Document Discussion**

Gregory W. Smith, General Counsel, Adam Franklin, Senior Staff Attorney, and Kimberly Riccardi, Staff Attorney, reviewed the proposed changes to the State's 457 Plan Document and responded to questions.

Cary Kennedy, Trustee, returned to the meeting at 12:58 p.m. during the foregoing discussion.

#### **Staff Reports**

##### **Executive Director Report**

Meredith Williams, Executive Director, reviewed the *Executive Director's Report*, which was transmitted to Trustees as Tab F on May 22, 2009. Additionally, Mr. Williams asked the Board to consider a resolution at the June 19, 2009, meeting to name the Board room. Mr. Williams responded to questions.

##### **Investment Update**

Jennifer Paquette, Chief Investment Officer, provided information regarding placement agents and PERA's practice. In addition, Ms. Paquette reviewed the market and portfolio performance, which was transmitted to Trustees as Tab G1 and Tab G2 on May 22, 2009.

#### **Listening Tours**

Mr. Anderson polled the Trustees on their availability for the scheduled August 2009 Listening Tours to be held around the State.

The Board recessed at 2:32 p.m. and reconvened at 2:43 p.m.

#### **Staff Reports (Continued)**

##### **General Counsel Update**

Gregory W. Smith, General Counsel, informed the Board on matters regarding C.R.S. § 24-51-205(6)(b). Additionally, Mr. Smith provided an update on recent activities.

Mr. Smith then requested the Board go into Closed Executive Session to address pending or imminent litigation and legal advice on specific legal questions regarding PERA, pursuant to C.R.S. §§ 24-6-402(3)(a)(2) and 24-6-402(4)(b). Mark Anderson, Chair, polled the Trustees in attendance and received consent to go into Closed Executive Session at 2:48 p.m. In addition to the Trustees and the Executive Director, General Counsel, the Chief Financial Officer, the Chief Investment Officer, and the Chief Operating Officer, the Directors of Communications and Internal Audit, the Manager of Strategic Innovation, and the Legal Executive Administrative Assistant remained present for the Closed Executive Session. The Closed Executive Session concluded at 3:59 p.m.



**General Counsel Update (Continued)**

“By my signature below, I certify that the only issues discussed by the members of the Board during the Closed Executive Session were regarding pending and threatened litigation as well as legal advice related to specific questions involving PERA constituting attorney client communication.”

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Mark Anderson, Board Chair

**Other Business**

Mr. Anderson asked the Trustees if there was any other business to discuss. Susan Murphy, Trustee, raised a question regarding the process for addressing the actuarial assumed rate of return for 2008 and related reporting in the 2008 *Comprehensive Annual Financial Report*. Extensive discussion ensued. The Board will review the Actuarial Experience Study at the June 19, 2009, Board Meeting and consider the appropriate assumption for the rate of return going forward.

With no further business to discuss Mr. Anderson adjourned the meeting at 4:43 p.m.

**Board Meeting Dates**

June (18) 19, 2009	24th – Fort Collins
July (23) 24, 2009	25th – Greeley
<i>August 2009 Listening Tours</i>	26th – Fort Morgan
11th – Denver	September 16-18, 2009 (Planning Meeting)
12th – Colorado Springs	October (15) 16, 2009
13th – Pueblo	November (19) 20, 2009
18th – Grand Junction	
19th – Durango	

**Shareholder Meetings**

October 2009	November 2009
20th – Fort Collins	3rd – Lakewood
21st – Fort Morgan	4th – Durango
22nd – Greeley	5th – Alamosa
26th – Aurora	10th – La Junta
27th – Boulder	11th – Pueblo
28th – Montrose	12th – Colorado Springs
29th – Grand Junction	17th – Denver

Respectfully submitted by  
*Brenda E. Meidl, Executive Administrative Assistant*  
Office of the General Counsel

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Mark Anderson, Board Chair

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Meredith Williams, Executive Director