



**COLORADO
PERA®**

**Colorado Public Employees' Retirement Association
Board Meeting Minutes (Special)**

1301 Pennsylvania Street

Denver, Colorado

July 24, 2009

9:00 a.m.

Trustees Present: Mark Anderson, Board Chair, Sara Alt, Vice Chair, James Casebolt, Howard Crane, Richard Delk, Carolyn Jonas-Morrison, Cary Kennedy, Maryann Motza, Susan Murphy, Amy Nichols, Scott Noller, Marcus Pennell, Andy Raicevich, Eric Rothaus on behalf of Cary Kennedy, Lynn Turner, Carole Wright

Trustees Absent: Scott Murphy

Staff Present: David Bomberger, 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 9:00 a.m.

Approval of Agenda

A motion was made by Susan Murphy and seconded by Marcus Pennell that stated, "*the Agenda be approved as published.*" The motion was approved.

Approval of the June 19, 2009, Board Meeting Minutes

A motion was made by Amy Nichols and seconded by Marcus Pennell that stated, "*the June 19, 2009, Board Meeting Minutes be approved as published.*" The motion was approved.

Public Comment

Phillip Rich, PERA member, addressed the Board regarding his concerns and suggestions for the Board to consider in the event there are any future benefits changes proposed.

Executive Committee Report

Sara Alt, Vice Chair, reported that the Executive Committee had met the previous day and that Trustee Scott Noller was in attendance. The Committee approved the July 23, 2009, Executive Committee minutes and reviewed the May 31, 2009, Unaudited Financial Statements and the June 30, 2009, Budget Reports. In addition, the Committee met with Meredith Williams, Executive Director, to discuss PERA's succession management plan. Finally, they reviewed the agenda for the day's meeting.



Committee Report

Evaluation Subcommittee Report

Mark Anderson, Evaluation Subcommittee Chair, reported that the Committee had met before the day's Board meeting. The Committee heard a report from Meredith Williams, Executive Director, regarding PERA's succession management plan. Mr. Anderson provided a handout of PERA's new organizational chart, which would be discussed during the Executive Director's Report.

Actuarial Audit

Michelle DeLange, Actuary, Senior Consultant, and David Slishinsky, Principal and Consulting Actuary, Buck Consultants reviewed the actuarial audit, which was transmitted to Trustees as Tab B on June 22, 2009. Mr. Slishinsky and Ms. DeLange responded to questions.

The Board recessed at 10:28 a.m. and reconvened at 10:40 a.m.

Staff Reports

General Counsel Update

Gregory W. Smith, General Counsel, informed the Board regarding a correction of an administrative error pursuant to C.R.S. § 24-51-205(6)(b). In addition, Mr. Smith provided information regarding the most recent Council of Institutional Investors activity.

Mr. Smith then requested the Board go into Closed Executive Session. The issues to be discussed involved pending or imminent litigation, specific legal questions addressed to General Counsel, and matters that may be subject to negotiation, developing strategies for negotiations and instructing negotiators regarding PERA's benefit and contribution structure. Mark Anderson, Chair, polled the Trustees in attendance and received consent to go into Closed Executive Session at 10:47 a.m. In addition to the Trustees, the General Counsel, the Chief Financial Officer, the Chief Investment Officer, the Chief Operating Officer, the Directors of Communications and Internal Audit, the Manager of Strategic Innovation, PERA's actuaries from Cavanaugh Macdonald, PERA's lobbyists, and the Legal Executive Administrative Assistant remained present for the Closed Executive Session. The Closed Executive Session concluded at 12:16 p.m.

"By my signature below, I certify that the only issues discussed by the members of the Board during the Closed Executive Session were regarding matters that may be subject to negotiation, developing strategies for negotiations and instructing negotiators regarding PERA's benefit and contribution structure as well as pending and threatened litigation and legal advice related to specific questions involving PERA constituting attorney client communication."

Mark Anderson, Board Chair

The Board recessed at 12:17 p.m. and reconvened at 1:04 p.m.



During the recess of the meeting, a formal dedication of the Raymond “Doc” Heath Memorial Board Room was performed with special guests Claire Heath Frink and Edward Heath in attendance.

Asset/Liability Study

Steve Cummings, Principal, and Michael Sebastian, Principal, Ennis Knupp and Rowland Davis, Advisor to Ennis Knupp, reviewed the planning associated with the imminent Asset/Liability Study, which was transmitted to Trustees as Tab C on July 17, 2009. Mr. Cummings and Mr. Davis responded to questions.

Cary Kennedy, Trustee, left the meeting at 1:43 p.m. and Eric Rothaus, Trustee, arrived to take Ms. Kennedy’s place at the meeting.

Actuarial Analysis of Benefit and Funding Components

David F. Maurek, Chief Operating Officer, and Gregory W. Smith, General Counsel, presented a report regarding the actuarial analysis of benefit and funding components. Handouts of the report were provided to Trustees. Extensive discussion ensued and Mr. Maurek and Mr. Smith responded to questions.

Listening Tour Format

David F. Maurek, Chief Operating Officer, facilitated Board discussion on possible formats for the Board listening tour meetings scheduled in August 2009. Extensive discussion ensued and Mr. Maurek responded to questions.

Eric Rothaus, Trustee, left the meeting at 3:05 p.m. and Cary Kennedy, Trustee, arrived to take Mr. Rothaus’ place at the meeting.

Richard Delk, Trustee, left the meeting at 3:19 p.m. and did not return.

The Board recessed at 3:34 p.m. and reconvened at 3:46 p.m.

Scott Noller, Trustee, left the meeting at 4:00 p.m. and did not return.

Sudan Legislation Follow-up

Jennifer Paquette, Chief Investment Officer, and Gregory W. Smith, General Counsel, provided information regarding the Sudan legislation compliance.

A motion was made by Lynn Turner and seconded by Carolyn Jonas-Morrison that stated, *“the Board approve the updated Scrutinized Company List as required by C.R.S. § 24-54.8-103 which was transmitted to Trustees on July 22, 2009, as Tab D in the meeting materials.”* The motion was approved.

A motion was made by Lynn Turner and seconded by Carolyn Jonas-Morrison that stated, *“the Board approve the Sudan Annual Report as required by C.R.S. § 24-54.8-105(2) which was transmitted to Trustees on July 22, 2009, as Tab D in the meeting materials.”* The motion was approved.



Merger Update

Mark Anderson, Chair, provided copies of a letter sent by Senator Chris Romer and Senator Paula Sandoval to the Denver Public Schools Retirement System (DPSRS) Board and the Denver Public Schools (DPS) Board of Education. In addition, Mr. Anderson distributed a copy of Resolution No. 3164 approved by the DPS Board of Education.

Gregory Smith, General Counsel, introduced the project managers for the DPSRS Merger, Ron Baker, Chief Technology Officer, and Adam Franklin, Senior Staff Attorney. Mr. Smith provided an update on the DPSRS merger. Discussion ensued and Mr. Smith responded to questions.

DPSRS Premium Subsidy Policy

Gregory W. Smith, General Counsel, Adam Franklin, Senior Staff Attorney, and Ron Baker, Chief Technology Officer, reviewed the proposed DPSRS Premium Subsidy Policy, which was transmitted to Trustees as Tab E on July 17, 2009. Extensive discussion ensued and Mr. Smith and Mr. Franklin responded to questions.

A motion was made by Lynn Turner and seconded by Howard Crane that, "*staff modify the current policy to keep the status quo for one year regarding the DPSRS health care premium subsidy for retirees, until more information on the funded status for the trust is known.*" The motion was approved.

Staff Reports (Continued)

Executive Director Report

Meredith Williams, Executive Director, reviewed the *Executive Director's Report*, which was transmitted to Trustees as Tab F on July 17, 2009. In addition, Mr. Williams informed the Board about the organizational changes at PERA and introduced the new Chief Benefits Officer, Donna Trujillo.

Investment Update

Jennifer Paquette, Chief Investment Officer, reviewed the market and portfolio performance, which was transmitted to Trustees as Tab G on July 17, 2009. In addition, Ms. Paquette reported on Investment staff reorganization in the Fixed Income Division.

Other Business

With no further business to discuss, Mr. Anderson adjourned the meeting at 5:18 p.m.



Board Meeting Dates

August 2009 Listening Tours

11th – Denver

12th – Colorado Springs

13th – Pueblo

18th – Grand Junction

19th – Durango

24th – Fort Collins

25th – Greeley

26th – Fort Morgan

September 16-18, 2009 (Planning Meeting)

October (15) 16, 2009

November (19) 20, 2009

Shareholder Meetings

October 2009

20th – Fort Collins

21st – Fort Morgan

22nd – Greeley

26th – Aurora

27th – Boulder

28th – Grand Junction

29th – Durango

November 2009

3rd – Lakewood

4th – Colorado Springs

10th – La Junta

11th – Pueblo

12th – Alamosa

17th – Denver

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

Mark Anderson, Board Chair

Meredith Williams, Executive Director