



**COLORADO
PERA**
Record of Proceedings

**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
SPECIAL MEETING
BOARD MEETING MINUTES
1300 Logan Street
Denver, CO 80203
April 7, 2004**

Trustees Present: James Casebolt, Board Chair, Mark Anderson, Vice Chair, Sara Alt, Terry Campbell, F. Elizabeth Friot, Richard Lansford, Dick Murphy, Marcus Pennell, Gloria Santistevan-Feedback, Douglas Windes.

Trustees Present

Via Teleconference: Donna Bottenberg, Joanne Hill, Patricia Kelly, Amy Nichols, Scott Noller.

Trustees Absent: Sandra Mills.

Staff Present: Lana Calhoun, Rob Gray, Amber Malley, Kim Natale, Greg Smith, Meredith Williams.

Guests: Bob Kirscht, Roberta Kirscht, and Beth Minahan, PERA Consultants; David Milstead, Rocky Mountain News; Dave Slishinsky, Mellon.

James Casebolt, Board Chair, called the meeting to order at 3:58 p.m.

Legislative Matters

Rob Gray, PERA Director of Government Relations, with the assistance of Dave Slishinsky, Mellon HRIS, briefed the Board on discussions with the Governor's office regarding the provisions relating to the defined contribution plan option for new-hire state employees.



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Mr. Gray's presentation centered on the proposed terms for a defined contribution option for new-hire state employees including the employees that will be eligible for the defined contribution option, retirement plan election periods, contribution rates, the amortization equalization disbursement (AED) and the separation of the State and School Divisions which may increase school employer contribution rates. Other discussion items included the provisions of the State and PERA's defined contribution plans including investment fund options, administrative costs, vesting periods, the ability for the PERA Board to determine the offering of survivor, disability and PERACare Health Benefit Programs for the PERA defined contribution option and the ability of employees who elect PERA to change plans within PERA.

Board discussion ensued, and Mr. Gray and Mr. Slishinsky responded to questions from Trustees, regarding various presented provisions including the appropriate scale back provisions for the amortization equalization disbursement, the retirement plans available to faculty and other exempt employees at certain institutions of higher education, the employment separation requirement for an employee to be eligible to reselect their retirement plan option and the effect of the proposed contribution rate change on PERA's funded status. Meredith Williams, PERA Executive Director, then addressed the Board regarding his observations and views regarding the defined contribution plan provisions.

At the conclusion of Mr. Williams' address, Dick Lansford moved and Marcus Pennell seconded *"that the PERA Board support the legislative package that includes increased payments from employers, defined contribution options for new state employees hired on or after January 1, 2006, and other changes as outlined with the following provision changes: Amortization Equalization Disbursement (AED) – The scale back of the AED would begin only when an amortization period of 40 years or less is attained (eliminate 85% funding level requirement); provide that the PERA Board has the authority to offer survivor benefit, disability benefit & PERACare Health Benefit options as part of PERA's DC Plan, as it deems appropriate; Negotiate for a two-year employment separation requirement to reselect either the State Defined Contribution or PERA Defined Contribution or Defined Benefit Plans, if possible."* After brief discussion regarding the three percent of salary cap on the amortization equalization disbursement, the question was called and the motion passed with twelve Trustees voting for, one Trustee abstaining and one Trustee voting against.

2004 Board Meeting Dates

April 16

May (20) 21 – *Cancelled and rescheduled for June*

June (21) 22

July 14-16 – Annual Planning Meeting



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September (16) 17
October 15
November (18) 19

With no further business to discuss, Chair James Casebolt adjourned the meeting at 6:37 p.m.

Respectfully submitted by

Amber Malley
Senior Administrative Assistant, Legal Services Division

James Casebolt, Chair

Meredith Williams, Executive Director