



**COLORADO
PERA®**
Record of Proceedings

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

1300 Logan Street
Denver, Colorado
October 21, 2005
8:30 a.m.

Trustees Present: James Casebolt, Board Chair, Mark Anderson, Board Vice Chair, Sara Alt, Susan Beeman, Donna Bottenberg, F. Elizabeth Friot, Mark Hillman, Patricia Kelly, Tamela Long, Maryann Motza, Scott Murphy, Amy Nichols, Scott Noller, Marcus Pennell, Sally Symanski, Carole Wright

Trustees Absent: Joanne Hill

Staff Present: Brian Bandimere, Rob Gray, Katie Kaufmanis, David Maurek, Brenda Meidl, Kim Natale, Jennifer Paquette, Gregory Smith, John Spielman, Meredith Williams

James Casebolt, Board Chair, called the meeting to order at 8:32 a.m.

Approval of Agenda

A motion was made by Scott Noller and seconded by Sara Alt, that *"the Board Agenda be approved as published."*

Mr. Casebolt brought forth a suggested amendment to the motion,, that *"the Board Agenda be amended to include an item after Public Comment to address a request by Joanne Hill, State Auditor, to be permitted by the Board to appoint Sally Symanski, Deputy State Auditor, to act on her behalf in the event of her absence and to vote as the State Auditor on the PERA Board of Trustees."*

The amendment to the motion was accepted by the maker and the second, and the motion, as amended, was approved.

Approval of September 16, 2005, Board Meeting Minutes

A motion was made by Tamela Long and seconded by Marcus Pennell, that *"the September 16, 2005, minutes be approved as published."* The motion was approved.



Mellany Moyer Proclamation

James Casebolt presented a signed framed proclamation to Mellany Moyer, former Senior Trader for Colorado PERA, from the Board of Trustees. The proclamation acknowledged her 24.5 years of service to PERA, and a copy was placed in the official minutes of the February 18, 2005, Board of Trustees meeting.

Public Comment

There was no public comment.

Appointment of State Auditor Designee

Gregory Smith, General Counsel, informed the Board that a written request had been made by Joanne Hill, State Auditor, to allow Sally Symanski, Deputy State Auditor, to act as a PERA Trustee on her behalf in her absence. Also, a written acknowledgement was received from Ms. Symanski accepting the designation. They both acknowledged their fiduciary responsibility to the PERA membership. Mr. Smith presented a resolution to the Board which, upon adoption, would authorize the Deputy State Auditor, Sally Symanski, to act as a PERA Trustee on behalf of State Auditor, Joanne Hill, in her absence. The resolution was presented to the Board as follows:

RESOLUTION
by the Board of Trustees of
Public Employees' Retirement Association of Colorado

Subject:

Authority of Deputy State Auditor Sally Symanski, to take action on behalf of the State Auditor, Joanne Hill, in her absence.

WHEREAS, the Board of Trustees ("Board") of the Public Employees' Retirement Association of Colorado ("PERA") has the responsibilities, duties, and authorities as set forth in the PERA Statutes (C.R.S. §§ 24-51-101, *et seq.*);

WHEREAS, as set forth in PERA Statute (C.R.S. § 24-51-203), the State Auditor shall hold a seat on the PERA Board of Trustees;

WHEREAS, C.R.S. § 2-3-103.5 provides in pertinent part that the State Auditor may designate a deputy to exercise and perform all or any portion of the powers and duties of the State Auditor;

WHEREAS, State Auditor, Joanne Hill, has requested to delegate to the Deputy State Auditor, Sally Symanski, authority to act on her behalf as a member of the PERA Board of Trustees when she is absent due to other official duties;

WHEREAS, Deputy State Auditor, Sally Symanski, has acknowledged and accepted this delegation;

WHEREAS, State Auditor Joanne Hill and Deputy State Auditor Sally Symanski have acknowledged that upon acceptance of this delegation and approval by the Board of Trustees, Deputy State Auditor Symanski is subject to the provisions of C.R.S. § 24-51-207, and shall act as a fiduciary to the plan members and benefit recipients as specified in C.R.S. § 24-51-207;



WHEREAS, the Board believes that it is prudent in carrying out the Board's responsibilities, duties and authorities to authorize the Deputy State Auditor to execute, on behalf of Joanne Hill, any and all actions on behalf of the State Auditor in all matters and transactions relating to any business of the PERA Board of Trustees in the State Auditor's absence;

NOW, THEREFORE, BE IT RESOLVED, that Sally Symanski, Deputy State Auditor, by the adoption of this motion, is hereby authorized to act, on behalf of the State Auditor, Joanne Hill, regarding any and all matters relating to any business of the PERA Board of Trustees. All actions taken by Sally Symanski, Deputy State Auditor, on behalf of Joanne Hill, State Auditor, shall be deemed the official vote of the State Auditor seat of the PERA Board of Trustees.

A motion was made by Mark Hillman and seconded by Amy Nichols to adopt the forgoing resolution. The motion was approved with one dissenting vote.

Executive Committee Report

Mark Anderson, Board Vice Chair, reported that the Executive Committee had met in the morning and approved the September 16, 2005, Executive Committee minutes and reviewed the August 31, 2005 Unaudited Financial Statements and the September 30, 2005 Budget Report. They also reviewed information on monthly operations. Finally, they reviewed the agenda for the day's meeting.

Compensation and Budget Committee Report

Sara Alt, Compensation and Budget Committee Chair, reported that the Committee had reviewed the proposed 2006 PERA Budget. The Committee also addressed items 9, 10, and 16 of the recommendations from the Performance Audit by Clifton Gunderson LLP. James Casebolt, Board Chair, asked the Board to review the proposed budget for consideration at the November 18, 2005 meeting.

DC Plan Update

David Maurek, Chief Operating Officer, reviewed the current status regarding the DC Plan to be implemented January 2006, and Mr. Maurek responded to questions.

Member Administrative Appeal

This Administrative Appeal involves member information, which is deemed confidential by C.R.S. § 24-51-213. The Appellant, Sara Ramirez, PERA member, requested that the Appeal be heard in a Closed Executive Session. James Casebolt, Chair, recused himself from the proceeding and stepped out of the meeting. Meredith Williams, Executive Director, made the initial determination regarding Ms. Ramirez's request and also stepped out of the meeting. In addition, Sara Alt and Patricia Kelly, Board members, who had previous involvement in Ms. Ramirez's appeal, stepped out of the meeting. Mark Anderson, Vice Chair, polled the Trustees in attendance and received the consent of all members present to go into Closed Executive Session at 9:00 a.m.



The Closed Executive Session concluded at 9:30 a.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 the appeal of an Administrative Review of Sara Ramirez."

Mark Anderson, Vice Chair

Administrative Review Appeal Motion

A motion was made by Scott Noller and seconded by Tamela Long that, *"the Board adopt and ratify the Findings of Fact, Conclusions of Law, and Decision of the Administrative Review Panel to deny Ms. Ramirez's request to make payment on service credit purchase agreement #108825 after her termination from PERA-covered employment."* The motion was approved. Sara Alt, James Casebolt, and Patricia Kelly did not participate in the discussion on the motion and abstained from voting on the motion.

Asset Liability Study

Jennifer Paquette, Chief Investment Officer, introduced Brian Birnbaum Principal from Ennis Knupp & Associates and Rowland Davis, Actuary from Ennis Knupp & Associates. They presented the Asset/Liability analysis which included a discussion of risk/return variables and was transmitted to the Board on Friday, October 14, as Tab B. Mr. Davis and Mr. Birnbaum responded to questions.

The Board recessed for a break at 10:38 and reconvened at 10:50 a.m.

Monthly Reports

Market & Portfolio Update

Jennifer Paquette, Chief Investment Officer, reviewed the investment market and portfolio performance, which was transmitted to Trustees on Friday, October 14, as Tab E. Ms. Paquette responded to questions.

Executive Director Report

Meredith Williams, PERA Executive Director, reviewed the regular monthly information report, which was transmitted to Trustees as Tab D on Friday, October 14. Mr. Williams announced that Jane Stanfield, Executive Assistant, will be leaving PERA at the end of November and Robbie Weadick, Executive Assistant, will take over her responsibilities.



Rules Hearing

Gregory Smith, PERA General Counsel, with the assistance of Adam Franklin, Staff Attorney, reviewed the proposed rules changes that had been discussed at the July Board Planning Session. Mr. Smith reported that comments had been received from the Office of the Attorney General, Robert Shur, Contracts Counsel and Carol Shirey, Director of Human Resources, Colorado State University regarding proposed Rules. Ms. Shirey, who was in attendance for this meeting, highlighted the concerns regarding Rule 1.20 G. Discussion ensued and the Board suggested that Rule 1.20 G be withdrawn. Mr. Smith and Mr. Franklin responded to questions from the Board and visitors at the meeting.

A motion was made by Carole Wright and seconded by Elizabeth Friot that, *“the Board approve and adopt the proposed amendments and additions, as modified including the withdrawal of proposed Rule 1.20 G. and change to 16.95 F., to the PERA Rules as presented along with the Statement of Basis and Purpose, with an effective date of January 1, 2006.”* The motion was approved.

Monthly Reports

Legislative Report

Chair James Casebolt requested the Board go into Closed Executive Session pursuant to C.R.S. § 24-6-402(4)(e) to discuss issues that involve determining positions on legislative matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators. David Milstead, Rocky Mountain News, voiced the newspaper's objection to the Closed Executive Session.

The Board then recessed for lunch at 12:49 p.m. and reconvened at 1:34 p.m. Upon reconvening, James Casebolt amended the call to Executive Session as follows:

“In accordance with the Colorado Open Meetings Act, the Board of Trustees in Open Session, is to determine whether it will hold a Closed Executive Session pursuant to C.R.S. §24-6-402 (4) (e) and (g). The issues to be discussed involve determining positions on legislative matters that may be subject to negotiation; developing strategy for negotiations; and instructing negotiators as well as review of work product prepared at the direction of Board of Trustees, the confidentiality of which is mandated.” Discussion ensued regarding the revision.

James Casebolt, Board Chair, polled the Trustees in attendance and received the consent of 14 of the 16 members present to go into Closed Executive Session at 1:44 p.m. There were two dissenting votes. In addition to the Trustees and the General Counsel, the Executive Director, the Chief Operating, Administrative, and Investment Officers, the Directors of Government Relations, Internal Audit and Communications, the Legal



Administrative Assistant, the PERA contract Lobbyists, and the actuaries retained by the Board remained present for the Closed Executive Session.

The Closed Executive Session concluded at 3:48 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 determining positions on legislative matters that may be subject to negotiation; developing strategy for negotiations; and instructing negotiators as well as review of work product prepared at the direction of Board of Trustees, the confidentiality of which is mandated."

James Casebolt, Chair

The Board recessed for break at 3:48 p.m. and reconvened at 3:58 p.m.

Alternative Investments Proposals

Meredith Williams, Executive Director, with the assistance of Christopher Reilly, PERA Director of Alternative Investments informed the Board of materials that are available to them regarding recommendations to be considered at the November 16, 2005 meeting.

December Meeting

James Casebolt, Board Chair, asked that the Board consider holding a meeting December 16, 2005, and received consensus to do so.

General Counsel Update

Gregory W. Smith, PERA General Counsel, reported that the Denver Public Schools Retirement System merger had been terminated by the Board of Education for the Denver Public Schools on October 12, 2005 and that a formal termination letter had been received. Mr. Smith stated that efforts would be made to maintain status of the Merger at termination in case future action is taken on the issue.

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). James Casebolt, Board Chair, polled the Trustees in attendance and received the consent of all members present to go into Closed Executive Session at 4:08 p.m. In addition to the Trustees, and the General Counsel, the Executive Director, the three Chief Officers, the Directors of Government Relations, Internal Audit, and Communications, and the Legal Administrative Assistant remained present for the Closed Executive Session.

The Closed Executive Session concluded at 4:12 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 pending and threatened litigation as well as legal advice related to specific questions involving PERA constituting attorney client communication."

James Casebolt, Chair

Other Business

With no further business to discuss, Mr. Casebolt adjourned the meeting at 4:13 p.m.

2005 Board Meeting Dates

November (17) 18, 2005
December 16, 2005

Respectfully submitted by
Brenda Meidl
Senior Administrative Assistant
Legal Services Division

James Casebolt, Chair

Meredith Williams, Executive Director