



**COLORADO
PERA**[®]
Record of Proceedings

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

1300 Logan Street
Denver, Colorado
August 19, 2005
8:00 a.m.

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

Trustees Absent: No trustees were absent

Staff Present: Adam Franklin, Rob Gray, Lisa Kamp, 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 8:00 a.m.

Approval of Agenda

A motion was made by Scott Noller and second by Marcus Pennell, that *"the Board Agenda be approved as published."* The motion was approved.

Public Comment

Curt Grinnell, Delta Public Schools, conveyed the concerns of Delta County District employees in relation to Rule 1.20 F, which was implemented earlier in the year. James Casebolt, directed David Maurek, Chief Operating Officer, to discuss the issues with Mr. Grinnell in more detail during a break in the meeting.

DPSRS Merger Discussion

Gregory Smith, General Counsel and David Maurek, Chief Operating Officer, provided an update regarding the DPSRS merger, which included the history, process, issues, and grounds for termination of the merger based on statute. Discussion ensued and Mr. Smith and Mr. Maurek responded to questions. Mr. Smith noted that an annotated version of the Merger Agreement will be available to Trustees prior to the September 16, 2005, Board meeting. Mr. Casebolt asked that the Board review and send any comments they may have to Mr. Smith before the meeting.

Mark Hillman, State Treasurer and Board Trustee, left the meeting at 8:20 a.m. and did not return. Ben Stein, Deputy State Treasurer, took Mr. Hillman's place.



DC Plan Update

David Maurek, PERA Chief Operating Officer, presented a review and an update regarding the DC Plan implementation. Mr. Maurek distributed proposed additions to the 401(k) Plan Document (*Article 15 – DC Plan Component* and *PERA 401(k) Plan Loan Amendment*) for review and discussion at the next Board meeting to be held September 16, 2005. Mr. Maurek and Gregory Smith, General Counsel, responded to questions.

Actuarial Review Recommendations

Rob Gray, Government Relations Director, introduced David Slishinsky, Buck Consultants, who discussed the Actuarial Review Recommendations. Mr. Slishinsky responded to questions.

By motion of Patricia Kelly and second by Donna Bottenberg, that *“the Board immediately recognize the remaining unrecognized difference between assets measured at market value versus book value that existed at the end of calendar year 1992. The actuarial value of assets shall be reset to equal the market value of assets as of December 31, 2004, and the expected rate of investment return going forward will be based on the beginning of year market value, with annual differences between actual and expected market value of assets smoothed over a four-year period.”*

Discussion ensued regarding the foregoing motion and an amendment was presented by Ben Stein and second by Scott Noller, to eliminate the four-year smoothing and to make the actuarial value of assets equal to the market value for each year going forward. The amendment failed. The original motion passed unanimously.

The Board recessed for break at 10:22 a.m. and reconvened at 10:34 a.m.

David Maurek, Chief Operating Officer, gave an update on the discussion with Curt Grinnell regarding Delta Public Schools, Mr. Maurek stated that it was not the intent of the Board when approving Rule 1.20 F to dictate employer policy, it was to prevent manipulation of highest average salary. The intent of the Rule and how it would be applied was communicated to employers last spring. With further discussion to be scheduled with the school district, Mr. Maurek's indicated that the issue could be resolved favorably.

Actuarial Workshop

Meredith Williams, Executive Director, introduced David Slishinsky, Buck Consultants, who provided the Board with a variety of “what if” scenarios regarding the actuarial projections. Mr. Slishinsky responded to questions.



Actuarial Economic Assumptions Discussion

David Slishinsky, Buck Consultants and Richard Ennis, Ennis Knupp discussed various aspects of the actuarial economic assumptions with the Board and responded to questions.

The Board recessed for lunch at 12:08 p.m. and reconvened at 12:51 p.m.

Report from the Audit Committee

Joanne Hill, Audit Committee Chair, requested the Board go into Closed Executive Session pursuant to C.R.S. § 24-6-402(3)(a)(III) which allows a Closed Executive Session when the issues to be discussed are required to be kept confidential by state statute. The issues to be discussed involve the performance audit of PERA under § 24-51-204(6), which are required to be kept confidential under C.R.S. § 2-3-103(2) and C.R.S. § 2-3-103.7(1). James Casebolt, Board Chair, polled the Trustees in attendance and received the consent of all members present to go into Closed Executive Session at 12:53 p.m. In addition to the Trustees and the General Counsel, the Executive Director, the three Chief Officers, the Directors of Internal Audit, Communications, and Government Relations, and the Legal Administrative Assistant remained present for the Closed Executive Session.

The Executive Session concluded at 1:31 p.m.

"By my signature below, I certify that the only issues discussed by the members of the Board during the Closed Executive Session involved the performance audit of PERA," Board Chair James Casebolt.

James Casebolt, Chair

2005-2006 Committee Assignments

By motion of Patricia Kelly and second by Ben Stein, that "*the 2005-06 PERA Board Committee assignments be approved as published.*" The motion was approved.

Other Business

James Casebolt, Board Chair, informed the Board that a copy of the Report to Legislative Audit Committee presented by PERA staff is available and the audio broadcast from the KOA radio show is also available.

Sara Alt, announced that the Compensation and Budget Committee meeting would be held on October 12, not on the October 13, as originally published.

With no further business to discuss, Chair James Casebolt adjourned the meeting at 1:34 p.m.



2005 Board Meeting Dates

September (15) 16, 2005
October 21, 2005
November (17) 18, 2005

Respectfully submitted by
Brenda Meidl
Senior Administrative Assistant
Legal Services Division

James Casebolt, Chair

Meredith Williams, Executive Director