



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

1300 Logan Street  
Denver, Colorado  
February 10, 2006  
9:00 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, Tamela Long, Maryann Motza, Amy Nichols, Scott Noller, Marcus Pennell, Carole Wright

**Trustees Absent:** Scott Murphy

**Staff Present:** Lisa Fedak, Rob Gray, Katie Kaufmanis, David Maurek, Brenda Meidl, Kim Natale, Jennifer Paquette, Karl Paulson, Gregory W. Smith (via phone), John Spielman, Meredith Williams

James Casebolt, Board Chair, called the meeting to order at 9:02 a.m.

**Approval of Agenda**

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

**Approval of January 20, 2006, Board Meeting Minutes**

A motion was made by Scott Noller and seconded by Amy Nichols, that *"the January 20, 2006, minutes be approved as published."* The motion was approved.

**Public Comment**

James Casebolt, Board Chair, invited the public present to address the Board. Representative Bernie Buescher offered to facilitate discussions regarding potential legislation affecting PERA with the Governor's Office, employer and employee groups, and PERA to hear concerns and try to identify areas of common ground. Mr. Casebolt thanked Representative Buescher and told him that PERA would participate in the meeting once an agreeable date was set.

Mark Schwane, Executive Director, American Federation of State, County and Municipal Employees (AFSCME), Miller Hudson, Executive Director, Colorado Association of Public Employees (CAPE), and Ralph Turano, Executive Director, Association of Colorado State Patrol Professionals (ACSPP), individually informed the Board that they are committed to working with PERA and look forward to the process that Representative Buescher had proposed. Mr. Casebolt thanked them all for their comments.



### **Executive Committee Report**

Mark Anderson, Board Vice Chair, reported that the Executive Committee had met in the morning and approved the November 17, 2005, Executive Committee Minutes, reviewed the December 31, 2005, Unaudited Financial Statements and the December 31, 2005, and January 31, 2006, Budget Reports. Finally, the Committee reviewed the agenda for the day's meeting.

### **Actuarial Projections**

Meredith Williams, Executive Director, introduced Dave Slishinsky and Michelle DeLange, Buck Consultants, who reviewed the implications on the Centennial Program group, predicated on replicating PERA's actual investment returns for the past eight years over the next eight years, as Scott Noller, Trustee, had requested at the December meeting. They also discussed their estimates as to the future impacts on the Health Care Trust Fund brought about by the proposed legislation, as Carole Wright, Trustee, had requested at the December meeting. Mr. Slishinsky responded to questions.

### **Legislative Report**

Meredith Williams, Executive Director, provided handouts of PERA legislative history since 1985 and a summary of Senate Bill 162 sponsored by Senator Owen, in comparison to Senate Bill 174, sponsored by Senator Sandoval and by PERA. Mr. Williams also reported that he and PERA staff had met with employer groups and welcomed future opportunities to meet with others regarding legislation affecting PERA. Beth Minahan and Roberta Robinette, PERA lobbyists, reviewed the current status of PERA-related legislation. A status report of PERA-related legislation was transmitted to Trustees as Tab B on Friday, February 3, 2006.

Finally, Mr. Williams reviewed the provisions of Senate Bill 162. In addition to the summary distributed at the meeting; a summary of the bill was also e-mailed to the Trustees on Thursday, February 9, 2006. Discussion ensued and Mr. Williams responded to questions.

The Board recessed for a break at 10:27 a.m. and reconvened at 10:44 a.m.

### **Board Committee Composition**

David Maurek, Chief Operating Officer, discussed the implementation of the Board's December 16, 2005 directive to add outside members to the Board's Benefits, Investment, and Compensation and Budget Committees. An explanation of the charters was provided to the Board at the January 20, 2006 meeting. Mr. Maurek reviewed the proposed amendments to the charters of the three committees.



A motion was made by Scott Noller and seconded by Patricia Kelly, that *“the Board approve the proposed amendments to the charters of the Benefits, Investment, and Compensation and Budget Committees and that staff be directed to begin the solicitation of qualified candidates for these committee positions.”* The motion was approved.

### **Board Self-Evaluation/Executive Director Evaluation**

James Casebolt, PERA Board Chair, reported that an evaluation form had been sent to PERA's Director level staff to gather input regarding the performance of the Executive Director. Mr. Casebolt will summarize the responses and provide a report to the Evaluation Subcommittee at the March meeting. Mr. Casebolt also directed Trustees to pick up their self-evaluation forms and submit the completed form by February 24, 2006.

### **Monthly Reports**

#### **General Counsel Update**

Gregory W. Smith, General Counsel, provided a summary regarding the National Association of Public Pension Attorneys (NAPPA) conference that he was attending in Washington, DC.

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 10:59 a.m. In addition to the Trustees, and the General Counsel, the Executive Director, the Chief Operating, Administrative, and Investment Officers, the Directors of Internal Audit and Communications, and the Legal Administrative Assistant remained present for the Closed Executive Session.

The Closed Executive Session concluded at 11:32 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 pending and threatened litigation as well as legal advice related to specific questions involving PERA constituting attorney client communication."

---

James Casebolt, Chair



A motion was made by Scott Noller and seconded by Carole Wright, that *“as it is in the best interest of the members and beneficiaries of PERA that any laws affecting PERA be legally adopted, that staff take appropriate action, including incurring reasonable expenses, to ensure that any laws affecting PERA be legally adopted.”* Discussion ensued regarding the foregoing motion, and an amendment was made, and the motion was amended as follows:

*“As it is in the best interest of the members and beneficiaries of PERA, and in compliance with the fiduciary obligation of the Board of Trustees, that any laws affecting PERA be legally adopted, that staff take appropriate action, including incurring reasonable expenses, to ensure that any laws affecting PERA be legally adopted.”* The motion was approved as amended.

### **Monthly Reports (continued)**

#### **Executive Director Report**

Meredith Williams, Executive Director, presented the regular monthly information, which was transmitted to Trustees as Tab C on Friday, February 3, 2006.

Joanne Hill, Trustee, left the meeting at 11:45 a.m. and did not return.

#### **Market & Portfolio Update**

Jennifer Paquette, Chief Investment Officer, presented the regular monthly information, which was transmitted to Trustees as Tab D on Friday, February 3, 2006. Ms. Paquette provided a portfolio and market update and noted that staff is currently reviewing potential options to reduce the international equities overweight. Finally, Ms. Paquette responded to questions.

#### **DC Plan Update**

David Maurek, Chief Operating Officer, presented a report regarding activities and remaining issues regarding the new Defined Contribution Plan, which was implemented January 3, 2006.

The Board recessed for lunch at 12:10 p.m. and reconvened 12:50 p.m.

### **Other Business**

James Casebolt, PERA Board Chair, informed the Board that preparations are underway for the July Planning Session. Discussion ensued and staff was directed to research possible locations in the Denver Tech Center for the July Planning Session.

With no further business to discuss, Mr. Casebolt adjourned the meeting at 12:54 p.m.



**Board Meeting Dates**

March (16)17, 2006  
April 21, 2006  
June (15)16, 2006  
July 19-21, 2006 (Planning Session)  
September (14)15, 2006  
October 20, 2006  
November (16)17, 2006

Respectfully submitted by  
*Brenda Meidl*  
Senior Administrative Assistant  
Legal Services Division

---

James Casebolt, Chair

---

Meredith Williams, Executive Director