



**COLORADO
PERA®**

Record of Proceedings

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

1300 Logan Street
Denver, Colorado
April 21, 2006
9:00 a.m.

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

Trustees Absent: Patricia Kelly

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

James Casebolt, Board Chair, called the meeting to order at 9:04 a.m.

Approval of Agenda

A motion was made by Carole Wright and seconded by Scott Noller that *"the Agenda be approved as amended to include an agenda item titled: Appointment of State Treasurer Designee,"* the motion was approved.

Appointment of State Treasurer Designee

Gregory W. Smith, General Counsel, informed the Board that a written request had been made by Michael Coffman, State Treasurer, to allow Ben Stein, Deputy State Treasurer, to act as a PERA Trustee on his behalf in his absence. Also, a written acknowledgement was received from Mr. Stein accepting the designation. They both acknowledged their fiduciary responsibility to the PERA membership. Mr. Smith then presented a resolution to the Board which, upon adoption, would authorize the Deputy State Treasurer, Ben Stein, to act as a PERA Trustee on behalf of State Treasurer, Mike Coffman, in his 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 Treasurer, Ben Stein, to take action on behalf of the State Treasurer, Mike Coffman, in his 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 Treasurer shall hold a seat on the PERA Board of Trustees;

WHEREAS, C.R.S. § 24-36-102.2 provides in pertinent part that the State Treasurer may designate a deputy to exercise and perform all or any portion of the powers and duties of the State Treasurer;

WHEREAS, State Treasurer, Mike Coffman, has requested to delegate to the Deputy State Treasurer, Ben Stein, authority to act on his behalf as a member of the PERA Board of Trustees when he is absent due to other official duties;

WHEREAS, Deputy State Treasurer, Ben Stein, has acknowledged and accepted this delegation;

WHEREAS, State Treasurer Mike Coffman and Deputy State Treasurer Ben Stein have acknowledged that upon acceptance of this delegation and approval by the Board of Trustees, Deputy State Treasurer Stein 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, it has been the long standing practice of PERA to allow the delegation of the State Treasurer's authority and responsibilities as a Trustee on the PERA Board of Trustees, and;

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

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

A motion was made by Carole Wright and seconded by Joanne Hill, that the forgoing resolution be approved. The motion passed with one dissenting vote.

Approval of March 17, 2006, Board Meeting Minutes

A motion was made by Scott Noller and seconded by Ben Stein, that *"the March 17, 2006, minutes be approved as published."* The motion was approved.



Public Comment

Curt Grinnell, PERA member, thanked the Board for their hard work and stated that he supports their efforts.

Executive Committee Report

Mark Anderson, Board Vice Chair, reported that the Executive Committee had met in the morning, approved the March 16, 2006, Executive Committee Minutes and reviewed the February 28, 2006, Unaudited Financial Statements, the March 31, 2006, Budget Reports, and PERA operations. Finally, the Committee reviewed the agenda for the day's meeting.

Monthly Reports

Executive Director Report

Meredith Williams, Executive Director, presented the regular monthly statistical information, which was transmitted to Trustees as Tab C on Friday, April 14, 2006.

Market & Portfolio Update

Jennifer Paquette, Chief Investment Officer, provided a portfolio and market update, which was transmitted to Trustees as Tab D on Friday, April 14. Ms. Paquette reviewed recent reductions in the international equity portfolio and additions to the fixed income portfolio Ms. Paquette responded to questions.

Member Administrative Appeal

Mr. Anderson stated that in accordance with the Board Agenda, an administrative appeal by Beverly Ann Campbell, PERA member, would be heard. James Casebolt, Chair, recused himself from the proceeding and stepped out of the meeting. Meredith Williams, Executive Director, made the initial determination regarding Ms. Campbell's request and also stepped out of the meeting.

In accordance with the requirements of due process and pursuant to PERA Rule 2.20, Trustees Marcus Pennell, Amy Nichols and Carole Wright, who had previous involvement in Ms. Campbell's appeal, stepped out of the meeting. Administrative Appeal involves member information, which is deemed confidential by C.R.S. § 24-51-213. Ms. Campbell requested that the appeal be heard in Closed Session. Mr. Anderson polled the Trustees in attendance and received the consent of all members present to go into Closed Session at 9:40 a.m. Trustees Scott Murphy and Scott Noller recused themselves from the proceedings and stepped out of the meeting. In addition to the Trustees, Gregory W. Smith, Counsel to the PERA Board of Trustees, Adam Franklin, Staff Attorney, and the Legal Administrative Assistant remained present for the Closed Session.

The Closed Session concluded at 10:43 a.m.



"By my signature below, I certify that the only issues discussed by the members of the Board during the Closed Session were regarding the appeal of an Administrative Review of Beverly Ann Campbell, PERA member."

Mark Anderson, Vice Chair

Administrative Review Appeal Motion

A motion was made by Ben Stein 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. Campbell's request to purchase more than 10 years of service credit at the cost calculation in effect prior to November 1, 2003."* The motion was approved.

State Treasurer Michael Coffman, Trustee, joined the meeting at 10:43 a.m. and took Ben Stein, Trustee designee's, place at the table.

The Board recessed for a break at 10:46 a.m. and reconvened 10:55 a.m.

Legislative Report

Meredith Williams, Executive Director, reviewed the current status of PERA-related legislation. A status report of PERA-related legislation was transmitted to Trustees as Tab B on Friday, April 14, 2006. Mr. Williams and PERA lobbyist Roberta Robinette responded to questions.

Monthly Reports

Defined Contribution (DC) Plan Update

David Maurek, Chief Operating Officer, presented a progress report on activities within the new DC Plan implemented January 3, 2006. The Board directed staff to look into the information and time specifically provided to State employee new hires to receive information and make an informed choice of a retirement plan. Mr. Maurek and Gregory W. Smith, General Counsel, responded to questions.

Joanne Hill, Trustee, left the meeting at 11:23 a.m.

General Counsel Update

Gregory W. Smith, General Counsel, reported on administrative error corrections pursuant to C.R.S. § 24-51-205(6) (b). Mr. Smith also stated that he is the co-chair for the National Association of Public Pension Attorneys (NAPPA) Insurance Working Group, which is looking at the different aspects of insurance issues that face public pension plans. He reported that the Committee had sent a survey related to insurance coverage to the NAPPA membership to assist in this endeavor.

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 11:34 a.m. In addition to the Trustees, and the General Counsel, the Executive Director, the Chief Administrative, Investment, and Operating Officers, the Directors of Communications and Internal Audit, and the Legal Administrative Assistant remained present for the Closed Executive Session.

The Closed Executive Session concluded at 12:09 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

Scott Murphy, Trustee, left the meeting at 12:10 p.m. and did not return.

The Board recessed for lunch at 12:10 p.m. and reconvened 12:48 p.m.

Joanne Hill, Trustee, returned to the meeting at 12:48 p.m.

Evaluation Subcommittee

James Casebolt, Chair, reported that the evaluation of the Executive Director would be presented at the June meeting and the Board Self-evaluation would be on the agenda at the planning session in July.

Other Business

Mr. Casebolt announced he was calling Special Meetings of the Board of Trustees each weekday for the next two weeks scheduled to begin at 5:00 p.m. Mr. Casebolt adjourned the meeting at 12:52 p.m.

Board Meeting Dates

April 24, 2006, April 25, 2006, April 26, 2006, April 27, 2006, April 28, 2006,
May 1, 2006, May 2, 2006, May 3, 2006, May 4, 2006, May 5, 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