



**COLORADO  
PERA®**

*Record of Proceedings*

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

1300 Logan Street  
Denver, Colorado  
October 19, 2007  
9:00 a.m.

**Trustees Present:** Mark Anderson, Board Chair, Sara Alt, Vice Chair, Susan Beeman, Howard Crane, Carol Hoglund, Cary Kennedy, Tamela Long, Maryann Motza, Susan Murphy, Amy Nichols, Scott Noller, Lynn Turner, Carole Wright

**Trustees Absent:** James Casebolt, Scott Murphy

**Staff Present:** Lisa Fedak, Adam Franklin, Katie Kaufmanis, David F. Maurek, Brenda Meidl, Jennifer Paquette, Karl Paulson, Gregory W. Smith, John Spielman, Meredith Williams

Mark Anderson, Board Chair, called the meeting to order at 9:00 a.m.

Mr. Anderson noted that Jan Hartford, presenter for Agenda item five *CEM Follow Up*, was unable to attend the day's meeting due to a family emergency. Accordingly, that matter will be rescheduled for a future meeting and several items on the day's agenda will be covered out-of-order.

**Approval of Agenda**

A motion was made by Carole Wright and seconded by Maryann Motza that "*the Agenda be approved as revised.*" The motion was approved.

**Approval of September 21, 2007, Board Meeting Minutes**

A motion was made by Carol Hoglund and seconded by Scott Noller that "*the September 21, 2007, Board Meeting Minutes be approved as published.*" The motion was approved.

**Public Comment**

There was no public comment.

**Executive Committee Report**

Sara Alt, Vice Chair, reported that the Executive Committee had met the previous day and approved the September 20, 2007, Executive Committee minutes and reviewed the August 31, 2007, Unaudited Financial Statements and the September 30, 2007, Budget Report. They reviewed the Statement in Fiduciary Net assets. They also reviewed information on monthly operations and the current status of the "Consideration" items from the Board's July Planning Meeting. Finally, they reviewed the agenda for the day's meeting.



### **Committee Reports**

#### **Compensation and Budget Committee**

Scott Noller, Chair, Compensation and Budget Committee, reviewed the October 5, 2007, Committee meeting and distributed a draft copy of PERA's 2008 budget. The proposed budget will be on the Board's agenda for action at the Board's November meeting.

### **Staff Reports**

#### **General Counsel Update**

Gregory W. Smith, General Counsel, informed the Board on C.R.S. § 24-51-205(6) (b) matters including a reestablished account following an erroneous distribution and the correction of service credit purchase errors involving a group of State Troopers. Mr. Smith informed the Board on the ongoing process of correcting calculation errors in service credit purchase agreements using a \$1,000 threshold for corrective action. Finally, Mr. Smith provided an update on office relocation efforts and the update to PERA's Sudan *Scrutinized Company List*. Mr. Smith responded to questions.

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). Mark Anderson, Chair, polled the Trustees in attendance and received consent to go into Closed Executive Session at 9:20 a.m. In addition to the Trustees and the Executive Director, General Counsel, the Chief Investment Officer and Chief Operating Officer, the Director of Communications, and the Legal Executive Administrative Assistant remained present for the Closed Executive Session. The Closed Executive Session concluded at 9:50 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."

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Mark Anderson, Board Chair

### **Strategic Planning**

Mr. Anderson, Board Chair, introduced Tom Iannucci, President, Cortex Applied Research. Mr. Iannucci presented the preliminary results of the strategic planning analysis and responded to questions.

The Board recessed at 10:21 a.m. and reconvened at 10:39 a.m.

### **401(k) Plan Document Changes**

David F. Maurek, Chief Operating Officer, distributed a copy of the current *401(k) Plan Document* and a summary of the proposed updates. Mr. Maurek reviewed the proposed changes and responded to questions.



### **Socially Responsible Investment (SRI) Offering in 401(k)/DC Plan**

David F. Maurek, Chief Operating Officer, reviewed the proposed SRI offering in PERA's 401(k) Plan and Defined Contribution Plan, which was transmitted to Trustees as Tab C on Friday, October 12, 2007. Mr. Maurek responded to questions.

The Benefits Committee moved that *"the PAX World Balanced Fund be added as a socially responsible investment offering in the 401(k) and DC Plans effective January 1, 2008."* The motion was approved.

### **Rules Hearing**

Gregory W. Smith, General Counsel, assisted by Adam Franklin, Senior Staff Attorney, reviewed the proposed rules changes that had been discussed at the July Board Planning Session and distributed to Trustees at the day's meeting. Mr. Smith and Mr. Franklin responded to questions.

Extensive discussion ensued regarding Rule 3.40 which was proposed to be added to clarify which individuals are employees of charter schools and subject to PERA membership. Mark Anderson, Board Chair, received consensus from all Trustees to remove this language until more research and recommendations from affected employers could be conducted. Lynn Acker, Payroll Manager, Jefferson County School District, addressed the Board and offered to meet with PERA staff regarding this issue.

Mr. Smith and Mr. Franklin continued with a review of the proposed changes and responded to questions.

A motion was made by Scott Noller and seconded by Carole Wright that *"the Board approve and adopt the proposed amendments, additions, and deletions made to the PERA Rules as presented, along with the Statement of Basis and Purpose, with an effective date of January 1, 2008."* The motion was approved.

The Board recessed for lunch at 12:34 p.m. and reconvened at 1:17 p.m.

### **Legislative Report**

Meredith Williams, Executive Director, with the assistance of Beth Minahan and Roberta Robinette, PERA lobbyists, reported on recent activities and current developments. Mr. Williams and Gregory W. Smith, General Counsel, responded to questions.

### **Penn Center Building Tour**

Mark Anderson, Board Chair, invited interested Trustees on a tour of the first floor Penn Center building at 2:11 p.m. and the Board reconvened at 2:37 p.m.

Carol Hoglund and Scott Noller, Trustees, left the meeting at 2:11 p.m. and did not return.



**Staff Reports (Continued)**

**Executive Director Report**

Meredith Williams, Executive Director, reviewed the *Executive Director's Report*, which was transmitted to Trustees as Tab D on Friday, October 12, 2007. Mr. Williams, Jennifer Paquette, Chief Investment Officer, and Gregory W. Smith, General Counsel, responded to questions.

**Market & Portfolio Update**

Jennifer Paquette, Chief Investment Officer, provided a market and portfolio update. Ms Paquette reviewed portfolio performance which was transmitted to Trustees as Tab E on Friday, October 12, 2007.

**Benefits Update**

David F. Maurek, Chief Operating Officer, provided an update on Defined Contribution (DC) Plan statistics. Mr. Maurek also provided miscellaneous Benefits Department statistics. Finally, Mr. Maurek explained the prior day release of the *Employer Manual* on PERA's Web site and the communication efforts to employers to make them aware of it.

**Other Business**

With no further business to discuss, Mr. Anderson adjourned the meeting at 3:30 p.m.

**Board Meeting Dates**

November (15) 16, 2007

Respectfully submitted by  
*Brenda Meidl*  
Executive Administrative Assistant  
Office of the General Counsel

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Mark Anderson, Board Chair

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Meredith Williams, Executive Director