



**COLORADO
PERA®**

Record of Proceedings

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

1300 Logan Street
Denver, Colorado
February 16, 2007
9:00 a.m.

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

Trustees Absent: Scott Noller, Carol Hoglund

Staff Present: Katie Kaufmanis, David Maurek, Brenda Meidl, Jennifer Paquette, Karl Paulson, Gregory W. Smith, John Spielman, Meredith Williams

Mark Anderson, Board Chair, called the meeting to order at 9:01 a.m.

Mr. Anderson announced that Scott Noller had been appointed as Chair of the Compensation and Budget Committee.

In addition, Mr. Anderson announced that for the 21st consecutive year, the Colorado Public Employees' Retirement Association had been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association of the United States and Canada.

The Certificate of Achievement is the highest form of recognition in the area of public employee retirement system accounting and financial reporting. As determined by an impartial panel, it recognizes PERA's 2005 *Comprehensive Annual Financial Report or CAFR* for meeting the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the *CAFR*.

PERA also received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its 2005 *Popular Annual Financial Report or PAFR*, a summary of the *CAFR* that is mailed to members and benefit recipients. To receive the award for the *PAFR*, an impartial panel determined that the content met the high program standard for creativity, presentation, understandability, and reader appeal.

The comprehensive annual report and the popular annual report represent the output of the entire PERA operation and staff. Mr. Anderson recognized Karl Greve, Director of Accounting, John Spielman, Director of Internal Audit, Katie Kaufmanis, Director of Communications, and Madalyn Knudsen, Creative Services Manager and their staffs for their role in leading the PERA accountability effort.



Approval of Agenda

A motion was made by Amy Nichols and seconded by James Casebolt that *“the Agenda be approved as published.”* The motion was approved.

Approval of January 19, 2007, Board Meeting Minutes

A motion was made by F. Elizabeth Friot and seconded by Maryann Motza that *“the January 19, 2007, Board Meeting Minutes be approved as published.”* The motion was approved.

Approval of February 5, 2007, Board Meeting Minutes

A motion was made by Tamela Long and seconded by Scott Murphy that *“the February 5, 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 January 19, 2007, Executive Committee Minutes and reviewed the December 31, 2006, Unaudited Financial Statements and the December 31, 2006, and January 31, 2007, Budget Reports. The Committee also reviewed PERA operations and discussed the Board's 2007 Planning Session. Finally, the Committee reviewed the agenda for the day's meeting.

Board Self-Evaluation

Mark Anderson, Board Chair, informed the Board that Cortex would be compiling the Board Self-Evaluation responses. The Evaluation Subcommittee will review the results at the March committee meeting and provide the Board with a report at the April Board meeting.

Legislative Report

Meredith Williams, Executive Director, with the assistance of Beth Minahan and Roberta Robinette, PERA Lobbyists, updated the Board on House Bill 07-1184, Sudan divestment legislation. Discussion ensued and Mr. Williams responded to questions.

DC Plan Update

David Maurek, Chief Operating Officer, provided information regarding DC Plan trends since its implementation in 2006. Mr. Maurek responded to questions.

Governance Manual Update

David Maurek, Chief Operating Officer, explained proposed changes to update the Board *Governance Manual*, which was provided to Trustees as Tab G at the January 19, 2007, Board meeting.



A motion was made by Patricia Kelly and seconded by Marcus Pennell that *“the Board adopt the suggested changes to the Board Governance Manual, detailed in Tab G from the January 19, 2007, Board meeting be approved.”* The motion was approved.

Monthly Reports

Executive Director Report

Meredith Williams, Executive Director, reviewed the monthly information report presentation, which was transmitted to Trustees as Tab C on February 9, 2007.

Market & Portfolio Update

Jennifer Paquette, Chief Investment Officer, reviewed the market and portfolio performance the information report, which was transmitted to Trustees as Tab D on Friday, February 9, 2007. Ms. Paquette announced that Tim Moore had been promoted to the Alternative Investment Director’s position. Mr. Moore has been with PERA since 1996 and has worked in Alternative Investment since 1999, most recently as a Senior Portfolio Manager.

The Board recessed for break at 10:19 a.m. and reconvened at 10:34 a.m.

General Counsel Update

Gregory W. Smith, General Counsel, provided an update on the National Association of Public Pension Attorneys (NAPPA) activities and upcoming June annual conference. Mr. Smith also reported that information had been received regarding potential salary manipulation known as “teacher on special assignment” status. Staff will be further investigating this allegation.

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 the consent to go into Closed Executive Session at 10:40 a.m. In addition to the Trustees and the General Counsel, the Executive Director, the Chief Investment Officer and Chief Operating Officer, the Directors of Internal Audit and Communications, and the Legal Executive Administrative Assistant remained present for the Closed Executive Session.

The Closed Executive Session concluded at 11:03 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."

Mark Anderson, Board Chair



Signature Authorization Changes

Gregory W. Smith, General Counsel, stated that the Board may wish to consider the following updated resolution, which was transmitted to Trustees as Tab H on September 8, 2006, in order that the language is current due to the election of Mark Anderson as Board Chair:

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

In the regular meeting on the 16th day of February 2007, the Board of Trustees of the Public Employees' Retirement Association adopted the following resolution:

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, C.R.S. § 24-51-205(6)(a) authorizes the Board to delegate any of its responsibilities, duties and authorities as set forth in the PERA Statutes to the Executive Director of PERA or designated agents of PERA;

WHEREAS, C.R.S. § 24-51-207(1) states that the Trustees of the Board shall be held to the standard of conduct of a fiduciary in the discharge of their functions; and

WHEREAS, the Board believes that it is prudent in carrying out the Board's responsibilities, duties and authorities to authorize the Executive Director and/or any Chief Officer of PERA to execute, on behalf of PERA, any and all documents and instruments in all matters and transactions relating to any business of PERA, including but not limited to any security, investment, investment agreement, contract or other document;

NOW, THEREFORE, BE IT RESOLVED, that Meredith Williams, Executive Director; and/or David F. Maurek, Chief Operating Officer; Jennifer Paquette, Chief Investment Officer; and Gregory W. Smith, General Counsel, be and are hereby authorized to execute, on behalf of PERA, any and all documents and instruments in all matters and transactions relating to any business of PERA, including without limitation, to hold, manage, control, improve, partition, invest, reinvest, sell, exchange, grant, convey, deliver, assign, transfer, lease, option, mortgage, pledge, borrow, contract, bargain, agree, purchase, assign, endorse, transfer, pay, make, execute and/or deliver on behalf of PERA any monies, security instrument, guarantee, application, representation, affidavit, letter, statement, warranty, waiver, receipt, release, assignment, transfer, note, certificate, stock, bond, investment, investment agreement, contract and/or other document, instrument or undertaking.

I hereby certify that the foregoing Resolution is a full, true and correct copy of the Resolution duly adopted on the 16th day of February 2007, by the Board of Trustees of the Public Employees' Retirement Association of Colorado



("PERA"). I further certify that due notice of the meeting was duly given to each Trustee and that a quorum was present at the meeting.

I further certify that the Resolution is still in full force and has not been amended or revoked.

And I further certify that Meredith Williams, Executive Director; David F. Maurek, Chief Operating Officer; Jennifer Paquette, Chief Investment Officer; and Gregory W. Smith, General Counsel, are on the date of this certification, and are presently, duly qualified and acting in the capacity indicated.

Dated this 16th day of February 2007.

Mark Anderson, Chair of the Board of Trustees
Public Employees' Retirement Association of Colorado

A motion was made by Carole Wright and seconded by James Casebolt that "*the forgoing resolution be adopted.*" The motion was approved.

Other Business

Carole Wright, Trustee, asked about the upcoming Board of Trustees' election. Staff will make the information regarding the election available to Trustees after March 1, 2007.

With no further business to discuss, Mr. Anderson adjourned the meeting at 11:06 a.m.

Board Meeting Dates

March (15) 16, 2007
April 20, 2007
June (14) 15, 2007
July 18-20, 2007 (Planning Session)
September (20) 21, 2007
October 19, 2007
November (15) 16, 2007

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

Mark Anderson, Board Chair

Meredith Williams, Executive Director