



**COLORADO
PERA®**

Record of Proceedings

Colorado Public Employees' Retirement Association

Board Meeting Minutes

Four Points by Sheraton Hotel

6363 E. Hampden Avenue

Denver, Colorado

September 19, 2008

9:30 a.m.

Trustees Present: Mark Anderson, Board Chair, Sara Alt, Vice Chair, Susan Beeman, James Casebolt, Howard Crane, Richard Delk, Cary Kennedy, Maryann Motza, Susan Murphy, Amy Nichols, Scott Noller, Lynn Turner arrived at 11:02 a.m., Carole Wright

Trustees Absent: M. Judy Chavez, Scott Murphy

Staff Present: Adam Franklin, Rob Gray, Karl Greve, Mary Kay Howard, Katie Kaufmanis, David F. Maurek, Brenda Meidl, Jennifer Paquette, Karl Paulson, Gregory W. Smith, Meredith Williams

Mark Anderson, Board Chair, called the meeting to order at 9:53 a.m. and acknowledged Robbie Weadick, Executive Assistant, for her work on the planning session. Mr. Anderson asked that changes be made to the day's Agenda, to include an Investment Overview to be heard after Board Committee Appointments (Item 5) and an Executive Staff Discussion to be heard after the Committee Reports (Item 6) and Board Discussion with the Executive Director to take place at the end of the meeting.

Approval of Agenda

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

Approval of June 20, 2008, Board Meeting Minutes, July 22, 2008, Board Meeting Minutes, and August 21, 2008, Special Board Meeting Minutes

A motion was made by Susan Beeman and seconded by Amy Nichols that, "*the Minutes of the June 20, 2008, July 22, 2008, and August 21, 2008, Special 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 June 19, 2008, Executive Committee minutes and reviewed the May 31, 2008, June 30, 2008, and July 31, 2008, Unaudited Financial Statements and the June 30, 2008, July 31, 2008, August 31, 2008, Budget Reports. The Committee also reviewed information on PERA operations. Finally, they reviewed the Agenda for the day's meeting.

Board Committee Appointments

Mark Anderson, Board Chair, distributed the current Committee appointments that were transmitted to Trustees as Tab D, September 11, 2008, and asked that the Trustees submit their requests for committee assignment choices before the noon break of the day's meeting.

Investment Overview

Tracey Nykiel, Ennis Knupp and Jennifer Paquette, Chief Investment Officer, provided an update on the past weeks' investment matters. Discussion ensued.

Committee Report

Investment Committee

Maryann Motza, Committee Chair, reported that the Investment Committee had met on September 17, 2008, and had the following motions:

The Investment Committee moves that *"the Board of Trustees approve an asset allocation range for the global equity asset class of 52-64 percent, effective January 1, 2009."* The motion was approved.

The Investment Committee moves that *"the Board of Trustees approve the following risk budget, effective January 1, 2009:*

*Global equity 225 basis points
Fixed Income 100 basis points
Total Fund 150 basis points."*

The foregoing motion was approved.

The Investment Committee moves that, *"the Board of Trustees approve an actively managed global equity mandate to be managed internally by PERA staff. This global equity mandate will have a benchmark of the MSCI All-Country World Index (ACWI)."* The motion was approved.

Finally, the Committee received a report from McLagan regarding investment compensation analysis and will recommend that the information be considered by the Compensation and Budget Committee.



Executive Staff Discussion

Karl Greve, Chief Financial Officer, David Maurek, Chief Operating Officer, Jennifer Paquette, Chief Investment Officer, and Gregory W. Smith, General Counsel, provided an update and a strategic outlook for their respective areas of responsibility. Mr. Maurek announced his plans to retire in October 2009.

In addition, Meredith Williams, Executive Director, announced that Ms. Paquette was appointed to the board of the Colorado Trust and that Mr. Smith had authored "The Deterioration of Investor Tools and the Resulting Fiduciary Challenges" in the fall 2008 issue of the *Journal of Government Financial Management*.

Resolution for Tammy Long

Mark Anderson, Board Chair, offered the following proclamation for former Trustee Tamela Long:

Proclamation Concerning
Tamela Long

Whereas, Tamela "Tammy" Long, served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from July 2004 through June 2008, as the representative from the State Division, and

Whereas, Tammy Long served as a dedicated Chair of several standing and ad-hoc committees of the Board during her tenure, and

Whereas, through Tammy's sincerity, dedication and analytical abilities, she earned the respect, confidence, appreciation, and esteem of the PERA Board members, and staff and

Whereas, Tammy served PERA's membership with loyalty, dedication, and integrity by providing valuable commentary and perspective to the PERA Board and staff, and

Whereas, Tammy Long did not pursue re-election to her seat pending her imminent retirement and therefore left the Board of Trustees effective June 30, 2008, therefore be it

Resolved, that with deep appreciation and congratulations, the Board of Trustees of Colorado PERA formally recognize and thank Tammy Long for her dedicated and conscientious service to the membership of Colorado PERA, her contributions and accomplishments during her years of service as a member of the Board of Trustees, and wish her much future success and enjoyment in retirement, and

Resolved that a copy of this Resolution be placed in the official minutes of the September 19, 2008, PERA Board of Trustees meeting.

A motion was made by Lynn Turner and seconded by Carole Wright that, "*the foregoing resolution be adopted.*" The motion was approved.



Resolution for Signature Authorization

Mark Anderson, Board Chair, stated that the Board may wish to consider the following updated resolution:

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

In the regular meeting on the 19th day of September 2008, 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 19th day of September 2008, 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.



A motion was made by Howard Crane and seconded by Maryann Motza that, *“the foregoing resolution be adopted.”* The motion was approved.

The Board recessed at 11:21 a.m. and reconvened at 11:35 a.m.

Legislative Report

Mr. Anderson asked if the Board had questions for Roberta Robinette and Beth Minahan, PERA lobbyists.

Cary Kennedy, Trustee, announced that the Permanent Tabor Reform amendment had been endorsed by *Rocky Mountain News*.

Maryann Motza asked for the opinions of the lobbyists regarding the upcoming election. Ms. Minahan reported that she didn't foresee a lot of changes in the House.

Rules Discussion

Gregory W. Smith, General Counsel and Adam Franklin, Senior Staff Attorney, discussed the draft of the proposed Rules changes, which were transmitted to Trustees as Tab E, on September 11, 2008.

Mr. Smith reviewed the proposed changes to Rule 2.20. Extensive discussion ensued and Mr. Smith responded to questions.

The Board recessed at 12:29 p.m. and reconvened at 1:15 p.m.

Mr. Franklin and Mr. Smith continued with the Rules discussion. Extensive discussion ensued and Mr. Franklin and Mr. Smith responded to questions.

A motion was made by Scott Noller and seconded by James Casebolt that *“the Board authorize and direct staff to proceed with the formal Rule-making process with regard to the issues discussed today.”* The motion was approved.

Iran Related Investment Report

Martha Argo, Investment Director, provided a review of the *Iran-Related Investment Report*, which was distributed to Trustees as Tab F on September 11, 2008. Ms. Argo responded to questions.

A motion was made by Maryann Motza and seconded by Scott Noller, that, *“the Board of Trustees acknowledge the receipt of the staff-prepared Iran-Related Investment Policy Report dated September 19, 2008.”* The motion was approved.

Executive Director Discussion

The Board met separately with Meredith Williams, Executive Director, and received information regarding PERA.

Other Business

With no further business to discuss Mr. Anderson adjourned the meeting at 3:33 p.m.



Board Meeting Dates

October 17, 2008 (Special Meeting)
November (20), 21, 2008

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

Mark Anderson, Board Chair

Meredith Williams, Executive Director