



**COLORADO
PERA®**

**Colorado Public Employees' Retirement Association
Board Meeting Minutes (Planning Session)**

Grand Hyatt Denver
Denver, Colorado
September 16, 2009
10:00 a.m.

Trustees Present: Mark Anderson, Board Chair, Sara Alt, Vice Chair, James Casebolt, Howard Crane, Richard Delk, Carolyn Jonas-Morrison, Maryann Motza, Scott Murphy, Susan Murphy, Amy Nichols, Scott Noller, Marcus Pennell, Andy Raicevich, Eric Rothaus on behalf of Cary Kennedy, Lynn Turner, Carole Wright

Trustees Absent: No Trustees were absent

Staff Present: Ron Baker, Rob Gray, Karl Greve, Jennifer Kabat, Katie Kaufmanis, David Mather, David F. Maurek, Brenda Meidl, Jennifer Paquette, Karl Paulson, Gregory W. Smith, Donna Trujillo, Meredith Williams

Mark Anderson, Board Chair, called the meeting to order at 10:08 a.m.

Approval of Agenda

A motion was made by Howard Crane and seconded by Scott Noller that stated, "*the Agenda be approved as published.*" The motion was approved.

Board Strategy Session

Gregory W. Smith, Chief Operating Officer/General Counsel, addressed the Board briefly regarding Trustees' fiduciary responsibility. Mr. Smith responded to questions.

Meredith Williams, Executive Director, discussed the work ahead and introduced PERA's lobbying team: Mary Alice Mandarich, Beth Minahan, Roberta Robinette, Collon Kennedy, Terry Campbell, Michael Beasley, and Steve Adams who was not present.

In addition, Mr. Williams provided a copy of the Denver Public Schools Retirement System Resolution 16: Funding Study Group Principles. Andy Raicevich, Trustee, provided a summary of the Resolution. Mr. Raicevich responded to questions.

Mr. Smith began his presentation by addressing the question of what PERA's amortization goal should be. Extensive discussion ensued and Mr. Smith, Mr. Williams, and Tom Cavanaugh, CEO, Cavanaugh MacDonald responded to questions. The Board reached consensus to use a 30-year amortization period.

Amy Nichols, Trustee, arrived at 11:18 a.m. during the above discussion.

Mr. Smith then began discussion regarding what the assumed rate of return should be. Extensive discussion ensued and Mr. Smith, Mr. Williams, Mr. Cavanaugh, and Michael Sebastian, Ennis Knupp, responded to questions.

The Board recessed at 12:10 p.m. and reconvened at 1:09 p.m. Eric Rothaus, Trustee on behalf of Cary Kennedy, arrived at 1:09 p.m.



Board Strategy Session (Continued)

Mr. Smith and Mr. Williams continued the assumed rate of return discussion and responded to questions.

A motion was made by Richard Delk and seconded by Amy Nichols that stated, *“the Board adopt an assumed rate of return of 8.0 percent.”* Extensive discussion ensued and PERA staff and Mr. Cavanaugh, responded to questions. The motion was approved.

A motion was made by Scott Noller and seconded by Marcus Pennell that stated, *“the Board use the 8.0 percent assumed rate of return for the 2009 annual financial statements and for administrative purposes effective January 1, 2010.”* The motion was approved.

Mr. Smith resumed the discussion regarding whether or not PERA should maintain consistent benefit provisions among divisions. Extensive discussion ensued and the Board reached consensus to maintain consistency in the benefit structures in the member divisions.

The Board recessed at 2:36 p.m. and reconvened at 2:53 p.m.

Mr. Smith continued the discussion and asked the Board for comments regarding employer contributions and employee contributions in relation to the benefits structure. Extensive discussion ensued and Mr. Smith responded to questions. Mr. Smith reviewed actuarial projections under a variety of scenarios. Additional projections will be reviewed at the Board's October meeting.

Mr. Smith then requested the Board go into Closed Executive Session. The issues to be discussed involved pending or imminent litigation, specific legal questions addressed to General Counsel, and matters that may be subject to negotiation, developing strategies for negotiations and instructing negotiators regarding PERA's benefit and contribution structure. Mark Anderson, Chair, polled the Trustees in attendance and received consent to go into Closed Executive Session at 3:56 p.m. In addition to the Trustees, the General Counsel, all PERA's Chief Officers, the Directors of Communications and Internal Audit, PERA's Senior Staff Attorney, former PERA Government Relations Director, the Manager of Strategic Innovation, and the Legal Executive Administrative Assistant remained present for the Closed Executive Session. The Closed Executive Session concluded at 4:53 p.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 matters that may be subject to negotiation, developing strategies for negotiations and instructing negotiators regarding PERA's benefit and contribution structure as well as pending and threatened litigation and legal advice related to specific questions involving PERA constituting attorney client communication.”

Mark Anderson, Board Chair



Other Business

With no further business to discuss, Mr. Anderson adjourned the meeting at 4:55 p.m.

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

Mark Anderson, Board Chair

Meredith Williams, Executive Director