



**COLORADO
PERA®**

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

Grand Hyatt Denver
Denver, Colorado
September 17, 2009
9:00 a.m.

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

Trustees Absent: No Trustees were absent

Staff Present: Ron Baker, Karl Greve, 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 9:03 a.m.

Approval of Agenda

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

Fiduciary Training

Gregory W. Smith, Chief Operating Officer/General Counsel, introduced Terry Mumford, Partner, Ice Miller, LLP. Ms. Mumford provided a presentation regarding fiduciary responsibility. Ms. Mumford responded to questions.

Carolyn Jonas-Morrison, Trustee, arrived at 9:57 a.m. during the question and answer portion of the fiduciary training.

Asset/Liability Study Discussion

Jennifer Paquette, Chief Investment Officer, introduced Ennis Knupp's Steve Cummings, CEO, Michael Sebastian, Principal, Tracey Nykiel, Associate, and Rowland Davis, Advisor to Ennis Knupp. Mr. Davis provided information regarding Ennis Knupp's analysis of the Asset/Liability Study. Extensive discussion ensued. Mr. Davis and Tom Cavanaugh, CEO, Cavanaugh MacDonald, responded to questions.

Mr. Sebastian continued the presentation with information regarding Ennis Knupp's observations and recommendations. Discussion ensued and Mr. Sebastian responded to questions.

The Board recessed at 11:48 a.m. and reconvened at 12:39 p.m.



Board Strategy Session

Gregory W. Smith, Chief Operating Officer/General Counsel, reviewed the options for changes that were presented at the Listening Tour meetings, as well as the input received from members, inactive members, retirees, and the public. Extensive discussion ensued and Mr. Smith and Meredith Williams, Executive Director, responded to questions.

The Board recessed at 2:56 p.m. and reconvened at 3:18 p.m.

Mark Anderson, Board Chair, asked for consensus from the Board to direct staff to provide an analysis of findings for specific items as discussed at the previous day's meeting and during the day's meeting, as listed below:

1. Adopt a two percent COLA that is indexed and includes a corridor concept.
2. Change to a 5-year Highest Average Salary (HAS) calculation.
3. Require a 5-year vesting period for receipt of the 50 percent match
4. Raise the age of early retirement
5. Increase the penalty for early retirement.
6. Increase employer and employee contribution by at least two percent from each. More than one scenario presented from both sides – equal for both.
7. Change retirement age and years of service of Tier 2 (Rule of 90/minimum age of 60).
8. Require employee contribution on working after retirement with no additional benefit accruing.
9. Upon re-retirement after a suspension of benefits and a period of work, the account earned during suspension will provide a separate segment of retirement in addition to the continuing benefit in place upon suspension of the benefit.
10. Eliminate retroactive retirement for inactives.
11. Increase requirement for earned service credit so that the member must earn salary greater than or equal to 120 times the Federal minimum wage in order to earn one month of service credit. Research who would be affected (gender/salary levels).
12. Adopt a lower benefit factor for future new Tier.
13. Adopt a lower benefit factor for Tier 1 and 2.

In addition, the Board directed staff to look at any other possible benefit modifications. PERA staff and PERA's actuary will provide the requested analysis at the scheduled October Board meetings. The Board expects to finalize its recommended package of legislation prior to the November 1, 2009, statutory deadline.



History of PERA's Defined Contribution Programs

David F. Maurek, Chief Operating Officer, provided a presentation regarding the history of PERA's defined contribution programs. Mr. Maurek responded to questions.

Mr. Anderson recessed the meeting at 4:40 p.m., announcing that the meeting would continue at 8:00 a.m. on September 18, 2009.

The Board reconvened at 8:00 a.m. on September 18, 2009.

Executive Director Discussion

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

Other Business

With no further business to discuss, Mr. Anderson adjourned the meeting at 9:00 a.m.

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

Mark Anderson, Board Chair

Meredith Williams, Executive Director