



**COLORADO  
PERA®**

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

Grand Hyatt Denver  
Denver, Colorado  
September 18, 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, Scott Murphy, Susan Murphy, Amy Nichols, Scott Noller, Marcus Pennell, Andy Raicevich, Lynn Turner, Carole Wright

**Trustees Absent:** No Trustees were absent

**Staff Present:** Ron Baker, Rob Gray, 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 9:07 a.m.

**Approval of Agenda**

A motion was made by James Casebolt and seconded by Marcus Pennell that stated, *"the Agenda be approved as amended to include an item at the end of the Agenda titled Other Business that will include discussion regarding 2009 Incentive Compensation."* The motion was approved.

**Approval of the July 24, 2009, Board Meeting Minutes and the August 2009 Listening Tour Meeting Minutes**

A motion was made by Howard Crane and seconded by Amy Nichols that stated, *"the July 24, 2009, Board Meeting Minutes and the August 2009 Listening Tour Minutes be approved as transmitted to Trustees as Tab A and Tab B on September 11, 2009."* The motion was approved.

**Public Comment**

Mark Anderson, Board Chair, asked those who wished to address the Board to identify themselves. Dan Daly, Colorado Education Association, speaking on behalf of the Coalition for Retirement Security asked to address the Board. Mr. Daly complimented PERA staff on the work that has been done to educate employer groups on the complexity of the current funding challenges PERA faces. Mr. Daly expressed support for changes to the system if changes were a shared responsibility for members, retirees, and employers.



### **Executive Committee Report**

Sara Alt, Vice Chair, Board of Trustees, reported that the Executive Committee had met on September 16, 2009, and Scott Noller, Trustee, was in attendance. The Committee approved the July 23, 2009, Executive Committee minutes and reviewed the June 30, 2009, and July 31, 2009, Unaudited Financial Statements and the July 31, 2009, and August 31, 2009, Budget Reports. They also reviewed information on PERA operations. The Committee discussed Executives' compensation and contracts will be prepared for Jennifer Paquette, Chief Investment Officer and Gregory W. Smith, Chief Operating Officer/General Counsel. Finally, the Committee reviewed the agenda for all the planning session meetings September 16 through September 18, 2009.

### **Rules for DPSRS**

Gregory W. Smith, Chief Operating Officer/General Counsel, introduced Kimberly Riccardi, Staff Attorney, and Adam Franklin, Senior Staff Attorney. Mr. Franklin and Ms. Riccardi reviewed the proposed changes to PERA Rules to accommodate the merger of the Denver Public Schools Retirement System (DPSRS) into PERA effective January 1, 2010. The proposed changes were transmitted to Trustees as Tab C on September 11, 2009. Mr. Franklin and Ms. Riccardi responded to questions.

A motion was made by Scott Noller and seconded by Marcus Pennell that stated, *"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 with one abstaining vote by Trustee Lynn Turner.

### **Resolution for Signature Authority**

Gregory W. Smith, Chief Operating Officer/General Counsel, asked that the Board consider the following resolution due to the upcoming retirement of David F. Maurek, Chief Operating Officer, and the appointment of new Chief Officers:

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

In the regular meeting on the 18th day of September 2009, 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 Chief Executive Officer and/or certain Chief Officers 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, Chief Executive Officer; and/or Gregory W. Smith, Chief Operating Officer/General Counsel; Jennifer Paquette, Chief Investment Officer; Ron Baker, Chief Technology Officer; and Donna Trujillo, Chief Benefits Officer 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 18th day of September 2009, 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.

A motion was made by Richard Delk and seconded by Marcus Pennell that the foregoing Resolution be approved. The motion was approved.

### **Standing Committee Assignments**

Mark Anderson, Chair, Board of Trustees, reviewed the committee information that was transmitted to Trustees as Tabs D1 and D2 on September 11, 2009. Mr. Anderson asked that the Trustees submit their committee preferences by the end of the day's meeting.

The Board was in consensus to make the Ad Hoc Stakeholder Committee a standing committee and a charter will be developed to be included in the Governance Manual.

The Board recessed at 10:27 a.m. and reconvened at 10:45 a.m.

Meredith Williams, Executive Director, introduced a guest in the audience, Gerri Madrid-Davis, Executive Director, National Public Pension Coalition, from Washington, D.C.



## **Staff Reports**

### **Executive Director Report**

Meredith Williams, Executive Director, reviewed recent activities and commented on current developments. The report was transmitted to the Board as Tab E September 11, 2009. Mr. Williams responded to questions.

### **Market and Portfolio Update**

Jennifer C. Paquette, Chief Investment Officer, talked about the challenges that PERA faces and reviewed the history of PERA investments. Ms. Paquette also provided a review of the strategic outlook for the Investments Department. Ms. Paquette responded to questions.

### **David F. Maurek, Chief Operating Officer**

David F. Maurek, Chief Operating Officer, provided a review of the 2009 August Listening Tours and discussed the history of identifying and responding to risks at PERA.

### **Karl Greve, Chief Financial Officer**

Karl Greve, Chief Financial Officer, provided an update and a strategic outlook for the Accounting Division.

### **Donna Trujillo, Chief Benefits Officer**

Donna Trujillo, Chief Benefits Officer, provided a strategic outlook for the areas that she oversees at PERA, which include the Insurance, Member Publications, Customer Service, Field Education Services, and Benefits Services Divisions.

### **Ron Baker, Chief Technology Officer**

Ron Baker, Chief Technology Officer, provided an update and a strategic outlook for the areas he oversees at PERA, which include the Application Development, Property Management, Information Technology, Operations Support, and Project Management Divisions.

The Board recessed at 12:05 p.m. and reconvened at 1:00 p.m.

Cary Kennedy, Trustee, left the meeting at 12:05 p.m.

### **Gregory Smith, Chief Operating Officer/General Counsel**

Gregory W. Smith, Chief Operating Officer/General Counsel, provided the Board with updates on PERA's activities related to the Council of Institutional Investors. In addition, Mr. Smith reported on the successful outcome of a case before the Court of Appeals regarding an administrative appeal. Finally, Mr. Smith provided an update and a strategic outlook for the Legal Services Division.



**Resolution for Susan Beeman**

Mark Anderson, Chair, Board of Trustees, asked for the Board's consideration of the following Proclamation:

Proclamation Concerning  
Susan Beeman

Whereas, Susan Beeman, served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from July 2005 through May, 2009 as a representative from the School Division, and

Whereas, through Susan's devoted attention to the membership of Colorado PERA she earned the admiration of the PERA Board members and staff, and

Whereas, Susan served PERA's membership with loyalty, dedication and integrity through her active participation at regularly scheduled meetings of the Board and its committees, and

Whereas, Susan has now retired from Pueblo School District 60 effective June 1, 2009, making her ineligible to continue serving on the Board of Trustees of PERA, now therefore, be it

Resolved, that with appreciation and congratulations, the Board of Trustees of Colorado PERA formally recognize and thank Susan Beeman for her constancy of service to the membership of Colorado PERA during her time as a member of the Board of Trustees, and wish her much future enjoyment in her retirement, and

Resolved that a copy of this Resolution be placed in the official minutes of the September 18, 2009, PERA Board of Trustees meeting.

A motion was made by Scott Noller and seconded by Scott Murphy that the foregoing Proclamation be approved. The motion was approved.

**Resolution for M. Judy Chavez**

Mark Anderson, Chair, Board of Trustees asked the Board consideration of the following Proclamation:

Proclamation Concerning  
M. Judy Chavez

Whereas, M. Judy Chavez served one year as an appointed Trustee in a State Division seat on the Board of the Public Employees' Retirement Association of Colorado (Colorado PERA), and

Whereas, Judy demonstrated a high level of professional dedication as she actively participated in the discussions before the Board, thereby earning the appreciation of the members of the Colorado PERA Board and executive staff, therefore be it

Resolved, that with sincere appreciation and thanks, the Board of Trustees of Colorado PERA belatedly formally recognize M. Judy Chavez for her dedicated service to the membership of Colorado PERA during her time serving as a member of the Board of Trustees, and wish her much success in her future endeavors, and



Resolved that a copy of this Resolution be placed in the official minutes of the September 18, 2009, PERA Board of Trustees meeting.

A motion was made by Carole Wright and seconded by Richard Delk that the foregoing Proclamation be approved. The motion was approved.

### **Governance Manual Review**

David F. Maurek, Chief Operating Officer, reviewed the proposed changes to the Board's Governance Manual. A handout of the changes was provided to Trustees in the Planning Session binder. With Mr. Maurek's departure due to his retirement at the end of the month, Karl Paulson, Strategic Innovation Manager, will take over the responsibility of completing the revision of the Governance Manual. Mr. Maurek responded to questions.

### **Other Business**

Mark Anderson, Board Chair, began the discussion regarding 2009 investment incentive compensation for PERA staff.

A motion was made by Scott Noller and seconded by Howard Crane that stated, "*the Board-approved 2009 Investment Performance Plan be amended to provide that the payment of any earned investment incentives be delayed one year in the event of a negative 2009 total fund return.*" The motion was approved.

With no further business to discuss, Mr. Anderson adjourned the meeting at 1:59 p.m.

### **Board Meeting Dates**

October (15) 16, 2009  
November (19) 20, 2009

### **Shareholder Meetings**

October 2009  
20th – Fort Collins  
21st – Fort Morgan  
22nd – Greeley  
26th – Aurora  
27th – Boulder  
28th – Grand Junction  
29th – Durango

November 2009  
3rd – Lakewood  
4th – Colorado Springs  
10th – La Junta  
11th – Pueblo  
12th – Alamosa  
17th – Denver

Respectfully submitted by  
*Brenda E. 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