MEMBERS PRESENT:  
Ms. Cathleen Gleason, Chairperson  
Ms. Libby Bissa, Vice Chairperson  
Mr. Frank Barriga, Board Member  
Mr. Jim Flanagan, Board Member, Retiree Representative  
Mr. Rick Naimark, Board Member  
Ms. Linda Reidenbach, Board Member, Citizen Representative  

ABSENT:  
Ms. Barbara Lang, Board Member  
Ms. Janet Smith, Board Member  
Mr. Bob Wingenroth, Board Member  

ALSO PRESENT:  
Ms. Donna Buelow, Retirement Program Administrator  
Ms. Paula Whisel, Recording Secretary  
Mr. Tim Jackson, COPERS  
Mr. Greg Fitchet, COPERS  
Atty. Paige Martin, Kutak Rock, LLP  
Atty. Mary Chang, Law Department  
Atty. Cassie Langford, Yoder & Langford  
Ms. Jodi Nicholson, Finance Department  
Ms. Donna Lewis, City of Phoenix Retirees Association  

The City of Phoenix Employees’ Retirement Board met at 17 S. 2nd Avenue, 2nd Floor Subcommittee Room, Phoenix, Arizona on March 26, 2008 at 9:30 a.m., to conduct regular business.  

1. **Call to Order**  
Chairperson Gleason called the meeting to order at 9:36 a.m. She stated Ms. Lang, Ms. Smith and Mr. Wingenroth were unable to attend the meeting and Mr. Naimark would join the meeting in progress.

2. **Approval of Meeting Minutes**  
Ms. Bissa moved approval of the February 20, 2008, February 27, 2008 and the March 11, 2008 Retirement Board minutes. Ms. Reidenbach seconded the motion. The motion carried unanimously.  
   a) February 20, 2008 (Special Meeting)  
   b) February 27, 2008 (Regular Meeting)  
   c) March 11, 2008 (Special Meeting)  

3. **Investment Committee Report**  
The Investment Committee met on March 26, 2008.
Ms. Reidenbach stated the Investment Committee minutes had been approved.

Ms. Reidenbach stated correspondence from Pyramis Global Advisors regarding a settlement with the Securities and Exchange Commission was included in the materials. She stated R.V. Kuhns & Associates had reviewed the correspondence. She stated COPERS would not receive funds from the settlement because Pyramis had not been one of COPERS’ managers during the time in question.

Ms. Reidenbach stated correspondence from Northern Trust and R.V. Kuhns & Associates was included in the materials. She stated R.V. Kuhns & Associates had reviewed Northern Trust’s commitment to provide capital support for investment funds holding structured investment vehicles. She stated the correspondence also addressed Northern Trust’s underperformance during the 4\textsuperscript{th} quarter 2007. She stated R.V. Kuhns & Associates thought the capital support was a positive move. She stated Northern Trust’s index fund had trailed the S&P 500 Index by five basis points during the 2007 4\textsuperscript{th} quarter. She stated the underperformance had to do with a securities lending issue. She stated R.V. Kuhns & Associates did not feel either issue required Board action.

Ms. Reidenbach stated Cadence Capital Management notified the Board they had added two people to their staff. She stated R.V. Kuhns & Associates did not have any concerns with the change.

Ms. Reidenbach stated GMO recently had some organizational changes. She stated the changes were reviewed by R.V. Kuhns & Associates because a senior person on the international team had left the firm. She stated R.V. Kuhns & Associates did not recommend any action at this time, but would continue to monitor the situation.

Mr. Naimark entered the room.

Ms. Reidenbach stated The Boston Company had replaced their Chief Operating Officer. She stated R.V. Kuhns & Associates did not have any concerns with the change.

Ms. Reidenbach stated staff had provided an update on The Boston Company contract. She stated The Boston Company fees were remaining the same as the previous contract.

Ms. Reidenbach stated several future agenda items had been brought forward. She stated she requested R.V. Kuhns & Associates review the Bear Stearns situation and to provide an assessment of the exposure, if any, to the COPERS portfolio.

Ms. Reidenbach stated the Committee had requested R.V. Kuhns & Associates comment if they had any concerns with the fund’s exposure to other investment banks.

Ms. Reidenbach stated the Committee had requested R.V. Kuhns & Associates update the investment management fee comparison completed about two years ago.

Ms. Buelow stated there had also been a request for performance numbers to be presented on a net of fees basis.

Ms. Reidenbach moved approval of the Investment Committee report to include the approval of the minutes. Mr. Flanagan seconded the motion. The motion carried unanimously.
4. **Consideration of Report From Yoder & Langford Regarding Recommendations For the Board Regarding Compliance with New Internal Revenue Code Regulations Concerning Appropriate Retirement Ages and the Arizona Constitutional Restrictions on Modifications on Benefits**

Mr. Naimark moved to convene in executive session at 9:43 a.m. for discussion of item 4. Mr. Barriga seconded the motion. The motion carried unanimously.

[Executive Session took place]

The Board convened in open session at 9:59 a.m.

It was the consensus of the Board to request an update on this subject at a future meeting.

5. **Consideration of Scope of Management/Investment Portfolio Reviews – Presentation by City Auditor**

Chairperson Gleason stated Mr. Randy Spenla, City Auditor, had asked the Board to table this item until the April agenda.

6. **Schedule of Events Regarding Board Member Elections**

Ms. Buelow stated included in the materials was a tentative schedule of events for the three elected employee member positions. She stated the majority of the activity would take place in early fall. She stated a workshop will be held for any interested candidates to find out more about the roles and responsibilities of the Board members.

7. **Consideration of Disability Assessment Committee (DAC) Recommendation for Reappointment of Employee Member Cindy Prejs**

Ms. Buelow stated the Disability Assessment Committee (DAC) recommended the reappointment of Ms. Prejs to the DAC. She stated Ms. Prejs has been serving on the Committee since January 2006.

Ms. Bissa moved to accept the Disability Assessment Committee’s recommendation to reappoint employee member Ms. Prejs. Mr. Barriga seconded the motion. The motion carried unanimously.

8. **Consideration of Requests for Transfer of Member Credited Service from COPERS to Arizona State Retirement System (ASRS)**

Mr. Barriga moved approval of the transfer requests. Ms. Reidenbach seconded the motion. The motion carried unanimously.

a) Anthony Adrian $106,191.50
b) Shelley L. Vasquez $153,539.06
9. **Consideration of Requests for Purchase of In-State/Out-of-State Public Service Credits Pursuant to Board Policy 180**

Ms. Reidenbach moved approval of the service purchase requests. Mr. Barriga seconded the motion. The motion carried unanimously.

a) David Booth  
b) Peter Cherberg  
c) Ann Davis  
d) Lucille Dawa-Bustamante  
e) Michael Gage  
f) Elva Gronosky  
g) Steven Haydukovich  
h) Charlotte Jones  
i) Barry Kessler  
j) Richard Molina  
k) John Reid  
l) Charlene Reynolds  
m) Gerald Richard  
n) Brian Rowland  
o) Billy Skillman  
p) Kelly Starbuck  
q) Craig Stouder  
r) Teresa Taylor  
s) Janice Van Wie  
t) Paul Yogerst  
u) April Zelenka

10. **Bills to be Paid**

Ms. Bissa moved approval of payment of the bills. Mr. Barriga seconded the motion. The motion carried unanimously.

a) Kutak Rock LLP  
   Professional Services $ 87.50  
   Professional Services $ 857.50  
   Professional Services $ 136.54

b) State Street Corporation
   January 2008 Fees $ 8,805.10

11. **Refunds - (through February 29, 2008)**

Chairperson Gleason stated this item was informational.

12. **Pension Payroll – March 1, 2008**

Chairperson Gleason stated this item was informational.

13. **Treasurer’s Report as of February 29, 2008**

Chairperson Gleason stated this item was informational.

14. **Pending Legal Opinions**

Chairperson Gleason stated this item was informational.

15. **Administrator’s Report**

a) **Continuing Education Report**

Ms. Buelow stated the report was informational.
b) **Update on CHRIS Upgrade**

Ms. Buelow stated the new version of the City’s payroll and personnel computer system was called e-CHRIS. She stated staff had been working on unit and user acceptance testing. She stated the implementation date was April 25, 2008 which would be after the May 1, 2008 pension had been finalized. She stated the June 1, 2008 pension payments would be issued using e-Chris. She stated the first phase of full service electronic processes would focus on employees and the second phase would be for retirees. She stated relevant issues, including the acceptable of electronic signatures, would be presented to the Board for review and possible approval.

c) **Update on Investment Manager Roundtable**

Ms. Buelow stated a tentative agenda for the roundtable was included in the materials. Mr. Fitchet stated the session would focus on the market and the particular challenges each manager faces. He stated he was going to ask for an outline for each manager’s presentations before the roundtable. He asked the Board to submit any specific issues or questions to him to insure the managers were prepared to address the topics. He stated the roundtable was scheduled for May 12, 2008 and May 13, 2008.

d) **Update on Budget Process**

Ms. Buelow stated the total budget reduction for the department for the upcoming fiscal year totaled 12.1% or $247,000, including the elimination of two positions. She stated an update on the utilization of the City’s retirement incentive program would be available for the April 2008 meeting.

e) **Update on Actuarial Audit Request for Proposal Process**

Ms. Buelow stated the request for proposal (RFP) closed March 21, 2008. She stated staff would present the finalists at the April 2008 Board meeting.

f) **Update on Presentation at City of Phoenix Retirees Association (COPRA) meeting March 27, 2008**

Ms. Buelow stated included in the materials was a copy of the presentation.

16. **Discussion with Attorney to Consider Position and Instruct Attorney Regarding Lawsuit CV2002-020383 Regarding Former and Current Head Start Workers**

No action was taken.

17. **Discussion with Attorney Regarding COPERS v. Carroll/Stephens, Maricopa Superior Court Case CV2006-011541**

No action was taken.
18. **Future Agenda Items**

Chairperson Gleason stated the Law Department had contacted staff regarding the Board’s use of outside legal counsel. She stated she would like to refer the issue to the Legal Review Committee to explore the Law Department’s concerns and the Board’s options.

Mr. Naimark asked for additional information concerning the issue. Atty. Chang stated the issue was the process the Board used for obtaining outside legal counsel. She stated the Charter states City Attorney was the attorney for the Retirement Board. She stated the City Attorney takes the position that in order to hire outside counsel the City Attorney’s office needs to be involved.

19. **Call to the Public**

There was no response to the call.

20. **Next Board Meeting: Wednesday, April 23, 2008 at 9:30 a.m. – Historic City Hall, Second Floor Subcommittee Room**

Chairperson Gleason stated this item was informational.

21. **Close Session**

The meeting adjourned at 10:12 a.m.

Donna M. Buelow  
Retirement Program Administrator

Paula Whisel  
Recording Secretary

APPROVED:

Ms. Cathleen Gleason, Chairperson  
COPERS Retirement Board

March 26, 2008