

**CITY OF PHOENIX
EMPLOYEES' RETIREMENT BOARD**
101 South Central Avenue, Suite 600
Phoenix, Arizona 85004

December 17, 2008

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

ABSENT: Ms. Janet Smith, Board Member

ALSO PRESENT: Ms. Donna Buelow, Retirement Program Administrator
Ms. Paula Whisel, Recording Secretary
Ms. Jackie Temple, COPERS
Mr. Greg Fitchet, COPERS
Atty. Mary Chang, Law Department
Atty. Sonia Blain, Law Department
Atty. Susan Klemmer, Kutak Rock
Atty. Marc Lieberman, Kutak Rock
Mr. Mike Schildts, Disability Applicant
Mr. Randy Spenla, Audit Department
Ms. Becky Gratsinger, R.V. Kuhns & Associates
Mr. Ryan Harvey, R.V. Kuhns & Associates
Mr. Eric Tanaka, R.V. Kuhns & Associates
Mr. David Hensley, Incoming Board Member
Ms. Jeanna Cullins, Ennis Knupp
Ms. Nancy Williams, Ennis Knupp

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

1. **Call to Order**

Chairperson Gleason called the meeting to order at 9:35 a.m. She stated Ms. Smith was unable to attend the meeting. She stated Ms. Bissa and Mr. Naimark would join the meeting progress.

2. **Approval of Retirement Board Meeting Minutes of October 22, 2008**

Mr. Barriga moved approval of the October 22, 2008 meeting minutes. Mr. Flanagan seconded the motion. The motion carried unanimously.

3. **Update Regarding Contracting with Pacific Alternative Asset Management Company, K2 Advisors, Wrightwood Capital, TA Associates, Real Estate Capital Asia Partners and Apollo Real Estate Opportunity Fund**

Atty. Sonia Blain, Atty. Susan Klemmer and Atty. Marc Lieberman approached the table.

Ms. Buelow stated the Law Department had asked Kutak Rock to assist in the contracting for the new investment managers selected by the Board.

Atty. Lieberman introduced Atty. Klemmer and stated she was principally tasked with coordinating real estate and private equity agreements. He stated the Law Department had asked to include a couple of provisions in the contracts, which were not typical in private equity agreements. He stated Kutak Rock will request the provisions but the Board should not expect to receive them. He stated the specific provisions concern indemnity and insurance clauses.

Atty. Lieberman stated Atty. Klemmer would review the two provisions, which were somewhat out of step with the marketplace. Atty. Klemmer stated the first area was regarding indemnification. She stated in this market, indemnification from the managers and the investment funds were very rare. She stated COPERS would be investing in a fund which does not guarantee a specific return and with a negative return they could incur damages.

Atty. Klemmer stated Kutak Rock has an indemnification provision which they were given by the City and it has been presented to the funds. She stated in the past she has not been able to obtain indemnification from a fund or manager for breaches or damages which may occur from investing.

Atty. Lieberman stated the City has a list of insurance coverages which are required in all contracts. He stated in the past Kutak Rock has attempted to at least make sure the funds had some sort of liability insurance. He stated sometimes the funds will provide the declaration sheet detailing their insurance coverage.

Chairperson Gleason asked if the plan would have any recourse for negligence on the part of the investment firms if COPERS does not obtain the indemnity clause the City typically likes to include in contracts. Atty. Klemmer stated the standard in the industry was generally willful misconduct, gross negligence and reckless disregard. She stated some contracts also include breaches of fiduciary duty. She stated a fraud concept was generally included as recoverable.

Atty. Lieberman stated many firms are off-shore where funds have little recourse. He stated the Board should not enter into the agreements if the Board is concerned about the contract provisions.

Mr. Flanagan stated the indemnity and insurance provisions were suggested by the City. He stated it was his understanding the Retirement System was separate from the City. Atty. Lieberman stated the City believes the Retirement System was subject to certain City requirements, one being the City Attorney appoints the lawyers for the plan. He stated it was his opinion the Board has the right to choose their own lawyer because the Board is an independent agency with its own board of directors and trustees.

Atty. Chang stated she believes COPERS was covered by the City's insurance and these contracts provisions were recommended under the City's risk management rules.

Chairperson Gleason asked if there were any contracts which needed to be completed because of upcoming investment deadlines. Mr. Fitchet stated Wrightwood Capital has indicated they will require funding prior to December 31, 2008. He stated the hedge-fund-of-funds managers have monthly funding requirements.

Atty. Chang stated Atty. Blain had been drafting other investment contracts and she had been fairly successful in getting some type indemnification and insurance provisions in the contracts. Atty. Lieberman stated the prior contracts may have been for different types of investment managers. Atty. Blain stated the Law Department has not indicated they would not accept the contracts without the indemnification and insurance provision.

Chairperson Gleason asked the status of the Wrightwood contract. Atty. Klemmer stated Kutak Rock had negotiated some limited indemnification language relating to violations of statutory prohibitions, laws and some regulations in the Wrightwood agreement. She stated Wrightwood indicated they had directors and officers insurance coverage.

Ms. Bissa entered the room.

Atty. Blain stated it is always best to review the level of insurance coverage.

Atty. Lieberman stated PAAMCO would not agree to any indemnity provisions. Chairperson Gleason asked if the Law Department would accept a contract without indemnification provisions. Atty. Blain stated that was a business decision.

It was the consensus of the Board to continue the negotiations with the managers previously selected by the Board. It was the consensus of the Board no action was necessary.

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

No action was taken.

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

No action was taken.

6. **Investment Committee Report**

The Investment Committee met on December 17, 2008.

Approval of Investment Committee Minutes of November 19, 2008

Ms. Reidenbach stated the minutes had been approved by the Committee.

Consideration of Commission Recapture Statement

Ms. Reidenbach stated this item was informational.

Consideration of and Appropriate Action Regarding Organizational Changes: The Boston Company

Ms. Reidenbach stated R.V. Kuhns & Associates (Kuhns) did not have any concerns with the organizational changes at The Boston Company.

Future Agenda Items

There were no future agenda items requested.

Call to the Public

There was no response to the call to the public.

Ms. Reidenbach moved approval of the Investment Committee report including the approval of the minutes. Mr. Barriga seconded the motion. The motion carried unanimously.

7. Charter Amendments/Policies & Procedures Committee Report

Ms. Buelow stated Ms. Smith, Chairperson of the Committee, had asked her to provide the report to the Board.

The Charter Amendments/Policies & Procedures (CAPP) Committee met on December 8, 2008.

Approval of November 3, 2008 CAPP Meeting Minutes

Ms. Buelow stated the minutes had been approved by the Committee.

Consideration of Appeal from Linda Henderson Regarding the Costing Method for Full-Time Temporary Employment Purchase

Ms. Buelow stated the Committee reviewed three appeals from individuals who had applied to purchase full-time temporary service.

Ms. Buelow stated the first appeal was from an individual whose request had been approved by the Board but she was disputing the cost method used. She stated the purchase was calculated using an actuarial present value basis. She stated the CAPP Committee recommended the Board deny Ms. Henderson's request.

Consideration of Appeal from Eileen Brown Regarding Request to Purchase Full-Time Temporary Service Credits

Consideration of Appeal from David Taylor Regarding Request to Purchase Full-Time Temporary Service Credits

Ms. Buelow stated Ms. Brown and Mr. Taylor were appealing the determination they worked in part-time positions although they indicated they were working full-time schedules. She stated Ms. Brown and Mr. Taylor were asking the Committee and the Board to consider their positions as a full-time temporary positions to allow them to

purchase the service. She stated the Committee recommended the Board deny Ms. Brown and Mr. Taylor's appeal.

Mr. Naimark entered the room.

Consideration of Appeal from Mike Schildts Regarding Disability Assessment Committee's Denial of Application for Non-Duty Disability Retirement Benefits

Mr. Mike Schildts was in the audience.

Ms. Buelow stated Mr. Schildts had applied for non-duty related disability benefits and his request was reviewed by the Disability Assessment Committee (DAC). She stated the DAC had denied the request after review of an independent medical examination report. She stated the CAPP had reviewed medical information Mr. Schildts had provided including an assessment from a doctor other than his treating physician which he had arranged for outside of the DAC process. She stated Mr. Schildts has appealed the DAC denial and had been in attendance at the CAPP meeting. She stated Mr. Schildts had provided additional information to the CAPP. She stated the CAPP recommended approval of Mr. Schildts' application for disability retirement benefits.

Future Agenda Items

Ms. Buelow stated there were no requests for future agenda items.

Call to the Public

Ms. Buelow stated there was no response to the call to the public.

Mr. Wingenroth moved approval of the recommendations from the CAPP Committee to include approval of Mr. Schildts' application for non-duty disability benefits and denial of the appeals from Ms. Henderson, Ms. Brown and Mr. Taylor. Mr. Barriga seconded the motion. The motion carried unanimously.

Mr. Schildts left the room.

8. Consideration of Appointment of Retiree Board Member – Kerry Wangberg

Ms. Buelow stated included in the materials was communication from the City of Phoenix Retirees Association (COPRA). She stated the Charter requires one Board member shall be a retiree member to be elected by the employee Board members. She stated Mr. Wangberg previously served as an elected employee member from 2003-2005. She stated neither Charter nor policy address how recommendations are made to the Board, but historically the Board has considered recommendations from COPRA.

Mr. Barriga moved to accept the City of Phoenix Retirees Association's recommendation and appoint Mr. Kerry Wangberg as retiree Board member for a three-year term to begin January 1, 2009. Ms. Bissa seconded the motion. The motion carried unanimously.

9. COPERS Board Election Results

Ms. Buelow stated the certification of the elections results from the City Auditor was included in the Board material. She stated Chairperson Gleason and Ms. Bissa were reelected and the new elected member was Mr. David Hensley.

Chairperson Gleason congratulated Mr. Hensley on his election to the Board.

10. **Consideration of Corridor for Actuarial Value of Assets- Presentation by Sandra Rodwan, Rodwan Consulting Company**

Ms. Buelow stated a recommendation in the Milliman actuarial audit was for the Board to consider a corridor for the actuarial value of assets. She stated the Board had asked the plan's actuary, Ms. Sandy Rodwan, to respond to the recommendation included in the Milliman report. She stated Ms. Rodwan had provided correspondence concerning the issue, which was included in the Board's materials.

Chairperson Gleason stated a worksheet included in the material reviewed what the plan's experience would have been if a corridor had been in place. She stated the corridor would have made no difference since 2003 because the values were within 20% each year. Ms. Buelow stated the worksheet did not include periods of extended negative markets or positive markets.

Chairperson Gleason stated Ms. Rodwan had indicated she has no current clients who have implemented a corridor.

Ms. Reidenbach moved to not adopt a corridor for the actuarial value of assets. Mr. Barriga seconded the motion. The motion carried unanimously.

11. **Monthly Review from City Auditor Regarding Ennis Knupp "Review of COPERS"**

Mr. Randy Spenla approached the table.

Mr. Spenla stated an opening meeting for the project had recently taken place which included Ms. Buelow, a member of the COPERS' staff and representatives from the City Auditor Department. He introduced Ms. Jeanna Cullins and Ms. Nancy Williams from Ennis Knupp. He stated they will be the two principals performing the review. He stated he would like to have the review completed this fiscal year. He stated Ennis Knupp will provide a written update for each Board meeting.

Chairperson Gleason asked for a summary of the kick-off meeting. Mr. Spenla stated the first part of the project was for Ennis Knupp to review the written policies and reports they had requested. He stated Ms. Buelow's staff had provided a number of documents for Ennis Knupp in preparation for the kick-off meeting.

Mr. Spenla left the room.

12. **Consideration of Correspondence from Research Affiliates: Third Quarter 2008 Commentary**

Ms. Buelow stated at a previous Board meeting there had been a suggestion the Board have a more in-depth review of Research Affiliates' performance and role in the portfolio.

Mr. Ryan Harvey introduced Mr. Eric Tanaka, Senior Consultant with Kuhns. Mr. Tanaka stated he also worked on the City of Phoenix Medical Expense Reimbursement Plan as well as the Long-Term Disability Plan. He stated he had been with Kuhns since 2006 and his background was in healthcare where he managed insurance assets for Blue Cross

Blue Shield. He stated he was a Chartered Financial Analyst as well as a Certified Public Accountant in the state of Washington.

Ms. Becky Gratsinger stated Kuhns would be sending out a letter this week announcing she had been named Chief Executive Officer. She stated Mr. Russ Kuhns was now the Chairman and would still be involved in client accounts and the firm. She stated this change was a long-term transition the firm has been planning. She stated Kuhns had added five new shareholders bringing the total to 17 shareholders. She stated the Kuhns board now has eight members.

Mr. Harvey stated he and Mr. Tanaka would be present at future Board meetings. He stated Ms. Gratsinger would visit the Board occasionally.

Mr. Harvey stated Research Affiliates had a very rough month in September 2008. He stated Research Affiliates provides a tactical asset allocation with a very broad mandate. He stated historically the strategy has served them well. He stated diversification over the long run pays off but not in the environment present in September 2008, October 2008 and November 2008.

Mr. Harvey stated the value of every asset dropped regardless of its individual investment and Research Affiliates was not spared. He stated Research Affiliates had posted a negative return falling short of the Consumer Price Index (CPI) plus 4% benchmark. He stated some of the assets Research Affiliates had invested in experienced their worst month in 20 years. He stated these assets included long-term credit, bank loans and international stocks. He stated Research Affiliates had the authority to invest in 16 asset classes and 15 of those 16 experienced negative returns in September 2008. He stated cash was the only asset class which did not have a negative return. He stated Research Affiliates invested about 40% of the portfolio in Treasury Inflation-Protected Securities (TIPS). He stated TIPS had their worst quarter ever.

Mr. Harvey stated the recent news has been much better for Research Affiliates. He stated their month-to-date return in December 2008 was positive 7.3%. He stated Research Affiliates made two great decisions in the third quarter, which was to short investments in China and investments in emerging markets. He stated Research Affiliates manages a sister product called the PIMCO All Asset Fund. He stated because of the shorting authority the Board had approved and the Charter restriction against high-yield bonds, COPERS' return was 400 basis points ahead of the PIMCO All Asset Fund's return.

Mr. Harvey stated CPI plus 4% was a long-term benchmark which had no volatility. He stated for the manager to outperform the benchmark they have to assume some volatility risk.

Chairperson Gleason stated she had been concerned because Research Affiliates had no positive returns since the Board hired them. Mr. Harvey stated the long-term history for the PIMCO All Asset Fund goes back to 2002. He stated since 2002 Research Affiliates has outperformed the CPI by almost 5% with a 7% volatility.

Mr. Harvey stated at times the Charter restriction on domestic high-yield bonds had been harmful to the returns of the portfolio, but lately it had been helpful. He stated Research Affiliates was very excited about the prospects for the future.

It was the consensus of the Board no action was necessary.

13. **Consideration of Quarterly Rebalancing Activity**

14. **Consideration of Real Estate Pacing Study – Presentation by R.V. Kuhns & Associates**

Mr. Harvey stated included in the materials was a memo from Kuhns regarding rebalancing and a revised phased allocation recommendation. He stated the markets have moved quite a bit from when the Board originally approved the asset allocation plan. He stated due to the market environment Kuhns was proposing a new starting point for the portfolio allocation. He stated in order to address rebalancing and a more orderly movement toward the ultimate target allocation, Kuhns recommended the Board approve a new phased allocation in lieu of a current rebalancing action and approve a practical policy for the future funding of the new real estate managers.

Mr. Harvey stated Kuhns' original intent had been to fund the new real estate managers from the core real estate managers. He stated the timing of the cash flows was not likely to align because the core funds were relatively illiquid. He stated it typically takes a couple months to receive the funds from redemption requests and the new managers are calling for funds on a much shorter notice.

Mr. Harvey stated Kuhns recommended the Board fund the capital calls for the new managers from the fixed income managers and simultaneously make a request of core real estate managers. He stated Kuhns is recommending the fixed income portion of the portfolio be reimbursed when the redemptions are received from the core real estate managers.

Ms. Buelow asked what other peer plans were doing in regard to rebalancing their portfolios. Ms. Gratsinger stated some of their clients were expanding the ranges in their alternative investments to allow for the current allocations. She stated some other clients have also taken a fresh look at pacing studies to determine how much new investment they can actually afford to put into the now attractive areas. She stated there was going to be a lot of distressed fixed income assets available to be purchased for low valuations. She stated many clients have scaled back on their new commitments to alternatives and are focusing on opportunistic allocations only. She stated some clients are just rebalancing to the bottom or mid-point of the ranges to get their marketable asset classes more in line with the targets. Mr. Harvey stated the COPERS rebalancing policy does not have any rebalancing ranges for the illiquid portion of the portfolio.

Chairperson Gleason asked if the Board were to temporarily suspend rebalancing when Kuhns would recommend the Board return to the rebalancing policy. Mr. Harvey stated the rebalancing policy could be revisited when the liquid portion of the portfolio reaches its ultimate target allocation.

Mr. Naimark moved approval of the recommended rebalancing and phased allocation changes. Ms. Bissa seconded the motion. The motion carried unanimously.

15. **Consideration of Status of Dividends From JP Morgan and Morgan Stanley Core Real Estate Managers**

Mr. Harvey stated given the illiquidity of the core real estate investments and the plan to reduce their allocation, Kuhns recommended eliminating the reinvestment of dividends in those funds. He stated the dividends were the only source of immediate liquidity in the funds.

Mr. Naimark moved approval of Kuhns' recommendation to eliminate the reinvesting of dividends in the JP Morgan and Morgan Stanley core real estate accounts. Mr. Barriga seconded the motion. The motion carried unanimously.

16. **Consideration of Correspondence from Northern Trust Regarding Outlook for the Collective Fund and Options for Withdrawal From the Fund or Transition to a Non-Lending Vehicle**

Mr. Harvey stated at the last meeting the Board received a memorandum explaining why the Northern Trust Index Fund underperformed in the third quarter of 2008 by 65 basis points. He stated all of the underperformance can be attributed to losses in the collateral pool for the securities lending program.

Mr. Harvey stated included in 65 basis points of underperformance was a 20 basis point loss recoupment to Northern Trust. He stated in March 2008 Northern provided temporary capital support to the fund in the amount of about 20 basis points. He stated Northern has taken the 20 basis points back out of the portfolio. Mr. Harvey stated there were three permanently impaired securities which accounted for a loss of six basis points. He stated the biggest part of the loss was 39 basis points in unrealized losses. He stated this portfolio was invested in debt spread product, similar to the assets in the Western portfolio. He stated because the portfolio was illiquid Northern has frozen it and are in the process of liquidating it over time. He stated Northern expect the liquidation process to take two to three years.

Mr. Harvey stated the phase 1 allocation calls for a reduction of \$10 million in the Northern Trust Index Fund portfolio. He stated Northern had notified staff earlier this week COPERS would have to redeem an additional \$2 million to receive \$10 million in funds and receive about \$2 million in units of the securities lending portfolio.

Mr. Harvey stated about 20% of the S&P 500 Index was on loan through the securities lending program. He stated Northern Trust fully expects all the securities to recover in value. He stated Kuhns thinks the best course of action was to maintain the necessary exposure and pursue small incremental withdrawals from the index fund, including funds needed for benefit payments. He stated small incremental withdrawals may be able to be made without incurring the receipt of securities lending assets.

Chairperson Gleason asked if the securities lending program was part of the investment management agreement. Mr. Tanaka stated he felt the governing documents state Northern had the ability to be in the program. He stated there were lawsuits being brought against Northern regarding this issue. Mr. Harvey stated since Kuhns has been working for the Board they have known securities lending was a component of this index fund portfolio. He stated recently Northern Trust allowed consultants to review the holdings of the securities lending portfolio. He stated securities lending programs were supposed to be invested in low-risk, low-return, cash-equivalent securities but some securities in the portfolio did not fit the profile.

Mr. Tanaka stated he believed the lawsuits were focused on the investment risk taken and whether the risk was prudent given the program was supposed to be a cash-type collateral pool.

Ms. Gratsinger stated this was the same type of problem she had seen in uninsured money markets funds. She stated this was going to be a problem for awhile. She stated other clients with Northern Trust as their custodian and securities lending provider had experienced the same illiquidity problem.

Mr. Harvey stated what Northern did do was outside of the normal expectation for how these securities should be invested. He stated in February 2009 Kuhns will be providing a broad securities lending update for the whole portfolio.

It was a consensus of the Board no action was needed at this time. It was the consensus of the Board to request Kuhns provide updates on this issue at future meetings.

Ms. Gratsinger, Mr. Harvey and Mr. Tanaka left the room.

17. **Consideration of End of Year Review of Required Plan Amendments and Operational Compliance Matters Regarding Pension Protection Act of 2006 and Heroes Earnings Assistance and Relief Tax Act of 2008**

Atty. Chang stated the Law Department had asked Ice Miller to assist them in reviewing recent pension legislation. She stated the review was to make sure the plan was in compliance with any changes required to be made either to plan documents or operations before the end of the year.

Atty. Chang stated a memorandum from Ice Miller was included in the Board's materials. She stated Ice Miller had identified five items for review. She stated three items were from the Pension Protection Act (PPA) and two items were from the Heroes Earnings Assistance and Relief Tax (HEART) Act. She stated she had asked Atty. Cassie Langford to review the Ice Miller information in connection with future Internal Revenue Service (IRS) filings and the documentation Atty. Langford was preparing for COPERS. She stated she asked Atty. Langford to identify if there were any items which had not been addressed in the Board policies or COPERS documentation. She stated also included in the materials was correspondence from Atty. Langford.

Atty. Chang stated the first item from the PPA concerns a waiver of the 10% early withdrawal penalty for distributions for certain public safety employees. She stated the PPA language applied to employees who provide police protection, firefighting services or emergency medical services. She stated she wanted to make sure the plan did not have employees which may have been covered by this provision. She stated one potential group was the Municipal Security Officers. Mr. Naimark asked if Police Assistants would be impacted by the change. Chairperson Gleason asked if Fire Dispatchers would be impacted by the change.

Atty. Chang stated she took a look at some job descriptions and she also spoke with Judge Song Ong at the court and they determined at this time this provision does not cover the Municipal Security Officers. She stated she did not believe it would cover Fire Dispatchers or Police Assistants at this time. She stated the PPA provision did not define the covered group other than the description of police protection, firefighting services or emergency medical services. She stated typically the language was interpreted to be cover individuals employed by a Police Department or Fire Department who have arrest powers.

Atty. Chang stated the second PPA item deals with rollovers to Roth IRA's. She stated Board policy 152 allows rollovers to IRA's, but it does not specifically address Roth IRA's. She stated Atty. Langford was recommending the Board update the policy to specifically reference Roth IRA's. She stated Atty. Langford would draft an updated policy for the Board's review at a future meeting.

Atty. Chang stated the third PPA item deals with rollover of after tax amounts to other qualified defined benefit plans and 403(b) plans as well as IRA's. She stated this provision had already been addressed in the administrative forms. She stated no action was needed on this item.

Atty. Chang stated the two HEART Act items have already been addressed in Policy 52. She stated no action was necessary for those items.

Chairperson Gleason asked Atty. Chang why Atty. Langford had reviewed Ice Miller's memorandum. Atty. Chang stated she asked Atty. Langford to review the memorandum to determine if there were any items Atty. Langford needed to include in the documentation being prepared for the IRS filings.

Chairperson Gleason asked Atty. Chang why Ice Miller was selected by the Law Department for this assignment. Atty. Chang stated the Law Department felt it was a cost efficient decision because Ice Miller had already been assigned the PPA review for the City's 401(a) and 457 plans.

Chairperson Gleason asked Atty. Chang if the Law Department would be paying the Ice Miller charges. Atty. Chang stated the COPERS plan would be paying for the Ice Miller charges.

A discussion ensued regarding the process for the assignment of requests from the Board and the payment of charges for outside counsel.

It was the consensus of the Board no action was required to address the issues included in the correspondence from Ice Miller and Atty. Langford.

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

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

a) Rachel M. Cons \$54,321.32

19. **Consideration of Request for Service Credit (Buyback) Forfeited Due to Refund of Member Contributions**

Ms. Bissa moved approval of the buyback requests. Mr. Barriga seconded the motion. The motion carried unanimously.

a) Jack Alvarez c) Ann Enriquez
b) Angelita Castro (3 requests)

20. **Consideration of Requests for Purchase of Service Credits Pursuant to Board Policy 180**

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

a) In-State/Out-of-State/Military

- | | |
|------------------|-------------------|
| 1) James Donahue | 3) Kara L. Rivera |
|------------------|-------------------|

b) City of Phoenix Full-time Temporary

- | | |
|-------------------|--------------------|
| 1) Linda Bentley | 3) Marcos Escodebo |
| 2) Joseph Bilbrey | |

c) City of Phoenix Job-Share

- | | |
|--------------------|-------------------|
| 1) Linda Bentley | 3) Jane L. Morris |
| 2) Cynthia Delzell | 4) Linda Palumbo |

21. **Bills to be Paid**

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

Plan Expenses

- | | |
|---|------------|
| a) Kutak Rock LLP
Professional Services | \$5,641.90 |
| b) State Street Corporation
October 2008 Fees | \$9,363.41 |
| c) Yoder & Langford P.C.
Professional Services | \$6,321.50 |
| Professional Services | \$ 470.00 |

22. **Refunds (through November 30, 2008)**

Chairperson Gleason stated this item was informational.

23. **Pension Payroll – December 1, 2008**

Chairperson Gleason stated this item was informational.

24. **Treasurer’s Report as of November 30, 2008**

Chairperson Gleason stated this item was informational.

25. **Pending Legal Opinions**

Chairperson Gleason stated this item was informational.

26. **Administrator’s Report**

Continuing Education Report

This item was informational.

Update on Retirement Voluntary Separation Incentive Packages for Employees Involved in Reduction in Force

Ms. Buelow stated staff has been involved in counseling employees who had been identified as possible recipients of increased compensation as an incentive to retire. She stated staff counseled 187 employees during the last week of November 2008 and the first week of December 2008. She congratulated Ms. Temple and her staff for their work.

She stated the employees offered the incentive were required to notify the Personnel Department of their interest to retire by December 8, 2008. She stated the Personnel Department will then decide which offers to accept. She stated staff will meet again with those individuals to process their retirement prior to December 31, 2008.

Ms. Buelow stated the plan will likely experience a higher than expected rate of retirements with higher than expected benefit amounts due to the increased compensation for the fiscal year ending June 30, 2009.

27. **Future Agenda Items**

Ms. Reidenbach requested a future agenda item for the Board to receive clarification from the Law Department regarding the Board's legal counsel process.

28. **Recognition of Outgoing Board Members – Frank Barriga and Jim Flanagan**

The Board expressed their appreciation to Mr. Barriga and Mr. Flanagan for their service.

29. **Call to the Public**

There was no response to the call.

30. **Next Board Meeting – January 28, 2009**

Chairperson Gleason stated this item was informational.

31. **Close Session**

The meeting adjourned at 11:03 p.m.

Donna M. Buelow
Retirement Program Administrator

Paula Whisel
Recording Secretary

APPROVED:

Ms. Cathleen Gleason, Chairperson
COPERS Retirement Board

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