



Denver Public Schools
Professional Compensation System for Teachers

ProComp

Teacher Compensation Trust Board of Directors

MINUTES

August 29, 2007

MEMBERS IN ATTENDANCE: Andree Hall, chair, Velma Rose, vice chair, Tom Buescher, Secretary, Lee White, Brett Fuhrman, and Jerry Graves.. STAFF IN ATTENDANCE: Kathy Kochis, Pro Comp Director. OTHERS IN ATTENDANCE: Mary Brauer, Trust Board attorney, and Howard Biggs, Trust Board investment advisor.

Meeting convened at 4:30 PM.

- I. Review and Approve Agenda
 - Members of the Board identified one typo in the agenda. Lee White made the motion to approve the amended agenda. Tom Buescher seconded the motion. Motion carried.
- II. Review and Approve Minutes for June 13, 2007 meeting
 - Tom Buescher made the motion to approve the minutes. Brett Fuhrman seconded the motion. Motion carried
- III. Investment Advisor – *Information (Howard Biggs, Arnerich, Massena & Associates)*
 - a. Finalizing Investment Policy.
 - b. Fund Searches/Product Searches.
 - c. Trust Pricing Review

Howard Biggs reviewed the handout booklet entitled “Denver Public Schools Multiple Asset Class Manager Search August 2007”, together with the process by which Arnerich, Massena & Associates identified these products for the Trust Board to consider. Based on a review of the individual Investment Manager’s/fund’s strategy, style, philosophy, management personnel, fees, number of securities, number of managers, any hedge coverage, standard deviation (risk), minimum investment amount, years of experience, and performance over time relative to their peer group and benchmark, the following was recommended of the asset classes in the Trust’s Investment Policy, with diversification in mind:

- Low Duration Bond – Vanguard Short-Term Bond Index
- Absolute Return Hedge – pair Majesty Offshore, Ltd and Common Sense Partners BPI, Ltd
- Total Return Bond – pair Vanguard Total Bond Market Index with Metropolitan West Total Return Bond Institutional and PIMCO Total Return Institutional
- Large Cap Value – American Beacon Large Cap Value Plan

- Large Cap Index – Vanguard 500 Index Signal
- Large Cap Growth – American Funds Growth Fund of America R5
- Mid Cap Value – Artisan Mid Cap Value
- Mid Cap Index – Not Funded
- Mid Cap Growth – Munder Mid Cap Core Growth
- Small Cap Value – Not Funded – Defer to 2008
- Small Cap Index – Vanguard Small Cap Index Inv
- Small Cap Growth – Tentative Managers AMG Essex Small/ Micro Cap Growth Deferred to 2008
- Long-Short Growth – pair Evanston Weatherlow Offshore Fund II, Ltd with Landmark Value Strategies, Ltd
- International Value – Dodge & Cox International Stock
- International Index – Vanguard Total International Stock Index
- International Growth – American Funds EuroPacific Growth A

IV. Adopt Investment Policy – *Action (Velma Rose)*

- Members of the Board and the attorney identified a number of typos. Velma Rose made the motion to approve the amended investment policy. Lee White seconded the motion. Motion carried.

V. Approve ProComp Fiscal Model Annual System Maintenance Proposal - *Action (Velma Rose)*

- Velma Rose stated that it was to the Trust Board's benefit that it enters into an annual system maintenance contract with Carpe Datum at an annual not-to-exceed fee of \$20,000, to provide as needed services in connection with the TM1 ProComp Fiscal Analysis system. Brett Fuhrman made the motion to approve the contract. Tom Buescher seconded the motion. Motion carried.

VI. Approve Fiduciary Insurance Binder for 2007-2008 - *Action (Velma Rose)*

- Velma Rose reminded the Board members that she was given permission by all to sign the binder with Federal Insurance Company (Chubb) for the public entity fiduciary liability insurance for the Pro Comp System Trust for the policy year beginning July 1, 2007, for the same coverage that was in place the previous policy year and at the same premium of \$5800. Tom Buescher made the motion to ratify Velma Rose's signature on the binder. Brett Fuhrman seconded the motion. Motion carried.

1) June and July 2007 Financial Statement – *Information (Velma Rose)*

- Velma Rose presented the June and July 2007 financial statements.

VII. Miscellaneous and Future Agenda Items

a. Proposed Meeting Schedule

- 1) September 26, to start at 4:30pm. Tom Buescher indicated he would not be able to attend. As it takes six Board members to have a quorum, it was stressed that all other Board members needed to attend.
- 2) October 24, to start at 4:30pm.
- 3) November 28, to start at 4:30pm.
- 4) To determine future meeting dates later

b. September 26 meeting topics

- 1) Approve the Investment Strategies and Investment Managers, based on the Fund Search Report, to include active and passive products
- 2) Howard Biggs to bring forth recommendations for Custodian Bank for the Board to act upon
- 3) Discuss the interface of the Board with bargaining process between the School District and DCTA

c. October 24 meeting topic

- 1) Receive the Financial Statements as of June 30, 2007, together with the independent Auditors' Report as prepared by JDS Professional Group