



Denver Public Schools  
Professional Compensation System for Teachers

# ProComp

## Teacher Compensation Trust Board of Directors

### M I N U T E S

September 26, 2007

MEMBERS IN ATTENDANCE: Andree Hall, chair, Velma Rose, vice chair, Lee White, Brett Fuhrman, Kevin Patterson, Mark Harmon and Jerry Graves. STAFF IN ATTENDANCE: Kathy Kochis, Pro Comp Director. OTHERS IN ATTENDANCE: Mary Brauer of Reinhart, Trust Board attorney, Howard Biggs of Arnerich, Massena & Associates, Trust Board investment advisor, and Henry Roman, ProComp Team.

#### Action Items:

I. Review and Approve Agenda

- *Added approval of September 6, 2007 meeting minutes*
- *Added discussion and approval of Investment Policy Appendices*

*Velma Rose made the motion to approve the agenda. Mark Harmon seconded the motion. Motion carried.*

II. Approve August 29, 2007 and September 6, 2007, meeting minutes

*Velma Rose made the motion to approve the minutes. Jerry Graves seconded the motion. Motion carried*

III. Approve Appendices to Investment Policy (Howard Biggs of Arnerich, Massena & Associates)

*Howard made some edits to Appendix A on the investment policy. In fixed income, he combined the money market and low duration rows and limits. Together their minimum and maximum are 0 and 15%. He also changed the Total Return Bond minimum from 20% to 15%.*

*On the equity part, the benchmark index and peer groups for the index row of each category were filled in.*

*Velma Rose made the motion to approve the amended appendices to the investment policy. Mark Harmon seconded the motion. Motion carried.*

IV. Approve Investment Manager Selections and Asset Allocation (Howard Biggs of Arnerich, Massena & Associates)

*The initial funding implementation schedule represents the asset class/proposed funds selected. Howard used the lowest cost share classes, because they are competitively priced and saves a few basis points.*

*Velma Rose made the motion to approve the Investment Manager Selections and Asset Allocation. Jerry Graves seconded the motion. Motion carried*

- V. Approve Implementation Schedule for the Investment of Funds (Howard Biggs of Arnerich, Massena & Associates)

*Arnerich Massena and Associates recommend a gradual six month phase in of the assets. This is to mitigate some of the volatility that the financial markets have experienced recently. After six months, these assets will tilt to the long term allocation. The low duration and intermediate term bonds will migrate to the next share class as we accumulate more funds over the course of two years.*

*Mark Harmon made the motion to approve the Implementation Schedule for the Investment Funds. Jerry Graves seconded the motion. Motion carried*

- VI. Approve Custodian Bank (Howard Biggs of Arnerich, Massena & Associates)

*Howard Briggs recommends Northern Trust Bank. They have a close relationship with DPS. They manage our defined benefits plan and, thus, proposed to charge the Pro Comp an annual fee of \$5,000 for the current year and each of the next two years. The Northern Trust Bank also extended their services to DPS for General Funds. The DPS Finance department agreed to investigate this opportunity.*

*Mark Harmon made the motion to approve the Custodian Bank. Jerry Graves seconded the motion. Motion carried*

Information:

- VII. August 2007 Financial Statements (Velma Rose)

*Statements were presented by Brett Fuhrman. The only question was about the Board Fiduciary Insurance. It went from \$5,202 to \$5,800. Brett will research this minor change.*

- VIII. Future Agenda Items

*Discussed the need to reschedule the October 24 meeting due to Fall break. Kathy Kochis will reschedule.*