



Denver Public Schools  
Professional Compensation System for Teachers

# ProComp

## **ProComp Trust Board of Directors**

**July 08, 2015 5:30 p.m.**  
**Emily Griffith Conference Room 1135**  
**1860 Lincoln St, Denver CO 80203**

### Action Items:

- I. Approval of Agenda
- II. Approval of April 02, 2015 meeting minutes
- III. Approval of June 24, 2015 meeting minutes
- IV. Approval of Amendment to the Investment Policy and Approval of New Advisory Services Agreement
- V. Selection of New Fund Manager
- VI. Approval of 2014-15 Administrative Services
- VII. Buck Consultants Engagement Letter
- VIII. Election of Officers

### Information/Discussion Items:

- A. Excused and unexcused absences:
  - a. Discussion on expectations for attendance notification and clarification.
  - b. Memo from general counsel.
- B. Q1 2015 Report.
- C. Re-bid Investment Advisory Services Contract.
- D. FY15 Year End Draft Report.
- E. Tentative schedule of next year's board meetings: 09/09/15, 10/07/15, 12/9/15, 02/17/16, 04/06/16, 06/01/16.

### Future Agenda Items:

- I. Next ProComp Trust Board meeting: 09/09/15
- II. Adjourned

Denver Public Schools  
ProComp Trust Board of Directors  
Agenda Statement

No. IV

Item: Approval of Amendment to the Investment Policy

Summary: This action item will give the Trust's Investment Advisors Discretionary Authority regarding specific investment decisions and enter into a contract that reflects the new policy.

Background:

After discussion on the pros and cons of giving Discretionary Authority to the Trust's investment advisors, as well as the Trust Committees fiduciary responsibility in that event. The ProComp Trust sees a distinct advantage in delegating this authority to its investment advisors since it will help the Trust act more efficiently. However, the delegation of authority does not relinquish the Trust Committee of its responsibility.

Amending the Trust's Investment Policy does not automatically delegate any authority to its investment advisors. By approval and execution of an amended contract between the ProComp Trust and Arnerich-Massena delegation of specific authority will be given and accepted.

Exhibits Attached:

1. Denver Public Schools ProComp Trust Investment Policy Statement
2. Amended Investment Policy
3. Amended Investment Policy Redlined
4. July 2015 DPS ProComp Trust Discretionary Advisory Services Agreement
5. July 2015 DPS ProComp Trust Discretionary Advisory Services Agreement Redlined

Recommended Action:

"I move that the ProComp Trust Board of Directors approve amending the Investment Policy and the July 2015 DPS ProComp Trust Discretionary Advisory Services Agreement as presented."

No. V

Item: Selection of New Fund Manager

Summary: Based on the Cube Global Multi-Strategy fund liquidation a new fund manager must be selected.

Background: Arnerich Massena recommends replacing the Cube Global Multi-Strategy fund with the PIMCO All Asset fund (PAAIX). The PIMCO All Asset fund is a real return-oriented, global tactical asset allocation strategy that seeks to provide three concurrent investor benefits: inflation protection, diversification, and compelling long-term returns. The fund invests across a broad spectrum of underlying strategies including global bonds, global equities, real estate and commodities. The percentage allocation to each underlying strategy is actively managed and changes over time based on changing relative value, subject to certain investment guidelines. The fund is offered in a liquid mutual fund format and is available at a reasonable expense ratio of 0.87%.

Exhibits Attached: None

Recommended Action:

“I move that the ProComp Trust Board of Directors approve the replacement of the Cube Global Multi-Strategy fund with the PIMCO All Asset fund.”

No. VI

Item: Approval of Administrative Services Expenses

Summary: The Transition Team has submitted the attached expenses for approval by the Trust.

Background: Per the Trust Agreement for Denver Public Schools Professional Compensation System for Teachers, Article VII, 7.1(f) the Trust will approve or disapprove annually proposed expenditures.

The Transition Team may submit for reimbursement from the Trust no more than 5% of the Trust's annual mill levy (Art III, 3.3(a)(i)(1)). The requested amount of \$1,244,855 is approximately 4.1% of the FY15 mill levy.

Exhibits Attached: ProComp Administrative Expenses for 2014-15

Recommended Action:

"I move that the ProComp Trust Board of Directors approve the FY15 Administrative Expenses for \$1,244,855."

No. VII

Item: Buck Consultants Engagement Letter

Summary: Buck Consultants may be engaged to perform analysis on the ProComp Trust.

Background: The Trust Board requested administration look into what kind of light Buck Consultants may be able to shed on the question, "What is the likelihood of the Trust running out of money?" Upon consideration, Buck Consultants provided the attached engagement letter.

Currently the Trust is in negotiations with Buck Consultants on the terms of the engagement letter. The Trust may approve entering into a contract with Buck upon conclusion of negotiations, or table until the next meeting when the contract is finalized.

Exhibits Attached:

1. Engagement Letter from Buck Consultants
2. Redline version provided by General Counsel

Recommended Action:

"I move that the ProComp Trust Board of Directors approve an amended version of the Buck Consultant's engagement letter to be finalized at a later time."

No. VIII

Item: Election of Board Officers

Summary: The Trustees shall select from among them a Chairman, a Vice Chairman and a Secretary in accordance with the Bylaws of the Board of Directors of the Teacher Compensation Trust.

Background:

Exhibits Attached:

1. Excerpt from By-Laws and Trust Agreement
2. Appointment Template

Recommended Action:

“I move that the ProComp Trust Board of Directors approve \_\_\_\_\_ (individual’s name)  
as \_\_\_\_\_ (Position).”