

1 **BY AUTHORITY**

2 ORDINANCE NO.
3 SERIES OF 2011

COUNCIL BILL NO.
COMMITTEE OF REFERENCE:

4
5 **A BILL**

6 **For an ordinance amending the 1963 Retirement Plan with regard to**
7 **the use of trustees, custodians and investment managers.**
8

9 **WHEREAS**, under Section 18-403(d) of the Code, the Retirement Board may
10 select trustees, custodians, and investment managers (commonly collectively known as
11 investment managers), however any selection is subject to the approval of the mayor;
12 and,

13 **WHEREAS**, the Retirement Board, when selecting any investment manager
14 engages in a competitive and documented selection process, generally utilizing its
15 consultant as well as on-staff professional expertise; and,

16 **WHEREAS**, since the Retirement Board's investment manager selection
17 decisions follow a well-documented and thorough process, and since the Board
18 members, by virtue of their position on the Retirement Board know and understand their
19 roles as fiduciaries, it has been determined that, although when the plan was enacted in
20 1963 there may have been a valid purpose in having the mayor approve any such
21 selection decisions by the Retirement Board, the mayor no longer needs to be involved
22 and the references to mayoral approval of the actions of the Retirement Board should
23 therefore be removed:
24

25 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND**
26 **COUNTY OF DENVER:**

27
28 **Section 1.** That Section 18-403(d)(1) (sometimes known and cited as Section 403,
29 Subsection (d)(1), Chapter 18) of the Revised Municipal Code, relating to the use of
30 trustees, custodians and investment managers be amended by deleting the language
31 stricken as follows:

32 (d) *Use of trustees, custodians and investment managers.* Trustees acting under
33 trust agreements, or custodians acting under custodial agreements, or both trustees

1 and custodians, may, ~~but need not,~~ be selected by the retirement board, ~~subject to~~
2 ~~approval by the mayor.~~

3
4 (1) The retirement board may delegate investment powers to trustees, or in the case
5 of a custodial account, such powers may be delegated to any investment
6 manager or group of investment managers selected by the board ~~and approved~~
7 ~~by the mayor.~~ Trustees, investment managers or custodians may be removed by
8 the retirement board ~~without the approval of the mayor~~ at any time, and, in such
9 event, new trustees, investment managers or custodians may be selected by the
10 retirement board, ~~subject to the approval of the mayor.~~ Trustee, investment
11 management and custodial expenses shall be paid out of the trust fund subject to
12 the approval of the retirement board. The retirement board or the executive
13 director, upon direction of the retirement board, is hereby authorized to execute
14 the appropriate trust, investment management and/or custodial agreements, not
15 inconsistent with the provisions of the plan, as indicated above. ~~During the period~~
16 ~~of time necessary to secure such services, the retirement board and the city~~
17 ~~treasurer may act in accordance with section 18-403(d)(3) below.~~

18
19 COMMITTEE APPROVAL DATE:

20 MAYOR-COUNCIL DATE:

21
22 PASSED BY THE COUNCIL

23 _____ 2011

24 _____ -PRESIDENT

25 APPROVED: _____ -MAYOR _____ 2011

26 ATTEST: _____ -CLERK AND RECORDER,
27 EX-OFFICIO CLERK OF THE
28 CITY AND COUNTY OF
29 DENVER

30
31 NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2011 _____ 2011

32
33 PREPARED BY: Victoria A. Hale, GENERAL COUNSEL,
34 DENVER EMPLOYEES RETIREMENT PLAN,
35 September 16, 2011
36

37
38 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the
39 office of the City Attorney. We find no irregularity as to form, and have no legal objection
40 to the proposed ordinance. The proposed ordinance is not submitted to the City Council
41 for approval pursuant to §3.2.6 of the Charter.
42

1 Doug Friednash, City Attorney

2 BY: _____, _____ City Attorney

3 DATE: _____