

1 **BY AUTHORITY**

2 ORDINANCE NO.  
3 SERIES OF 2011

COUNCIL BILL NO. 11-0685  
COMMITTEE OF REFERENCE:  
Government Affairs and Finance

6 **A BILL**

7 **For an ordinance amending the 1963 Retirement Plan with regard to**  
8 **the use of trustees, custodians and investment managers.**  
9

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

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

17 **WHEREAS**, since the Retirement Board's investment manager selection  
18 decisions follow a well-documented and thorough process, and since the Board  
19 members, by virtue of their position on the Retirement Board know and understand their  
20 roles as fiduciaries, it has been determined that, although when the plan was enacted in  
21 1963 there may have been a valid purpose in having the mayor approve any such  
22 selection decisions by the Retirement Board, the mayor no longer needs to be involved  
23 and the references to mayoral approval of the actions of the Retirement Board should  
24 therefore be removed:  
25

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

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

1 (d) *Use of trustees, custodians and investment managers.* Trustees acting under  
2 trust agreements, or custodians acting under custodial agreements, or both trustees  
3 and custodians, may, ~~but need not~~, be selected by the retirement board, ~~subject to~~  
4 ~~approval by the mayor.~~

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

20  
21 COMMITTEE APPROVAL DATE: October 5, 2011

22 MAYOR-COUNCIL DATE: October 11, 2011

23  
24 PASSED BY THE COUNCIL

25 \_\_\_\_\_ 2011

26 \_\_\_\_\_ -PRESIDENT

27 APPROVED: \_\_\_\_\_ -MAYOR \_\_\_\_\_ 2011

28 ATTEST: \_\_\_\_\_ -CLERK AND RECORDER,  
29 EX-OFFICIO CLERK OF THE  
30 CITY AND COUNTY OF  
31 DENVER

32  
33 NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2011 \_\_\_\_\_ 2011

34  
35 PREPARED BY: Victoria A. Hale, GENERAL COUNSEL,  
36 DENVER EMPLOYEES RETIREMENT PLAN,  
37 September 16, 2011  
38

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

1 for approval pursuant to §3.2.6 of the Charter.

2

3 Doug Friednash, City Attorney

4 BY: \_\_\_\_\_, \_\_\_\_\_ City Attorney

5 DATE: \_\_\_\_\_

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