



**Public Employees' Retirement Association
Board Meeting
Raymond "Doc" Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, CO
November 18, 2022
9:00 a.m.**

Trustees Present: Marcus Pennell, Chairman, Suzanne Kubec, Vice Chair, Ramon Alvarado, Norm Franke, Rebecca Freyre (V), Julie Friedemann, Nathan Geroche (V), Amy Grant, Taylor McLemore (V), Timothy M. O'Brien, Jennifer Pasquino (V), JB Phillips, Trina Ruhland, Tracy Rushing, Scott Smith, Dave Young

Staff Present: Ron Baker, Kevin Gallaway, Jeremy Hill, Patrick Lane, Amy C. McGarrity, Brenda Meidl, Ande Sailer, Sarah Wager

Others Present: Katie Comstock, Aon (V); John Lee, Aon; David Driscoll, Buck; Mike Ribble, Buck; Kevin Penderghest, Buck; Brad Ramirez, Segal
*Virtual (V)

Marcus Pennell called the meeting to order at 9:00 a.m.

Approval of Consent Agenda

A motion was made Suzanne Kubec and seconded by Norm Franke that, *"the Consent Agenda be approved with the following items:*

- *Approval of Agenda*
- *Approval of September 21, 2022, Board Planning Session Minutes (Tab A)*
- *Approval of September 22, 2022, Board Meeting Minutes (Tab B)*
- *Approval of September 23, 2022, Board Meeting Minutes (Tab C)*
- *January 20, 2023, Board Meeting Date*

The motion was approved.

Public Comment

There was no public comment.

Calendar Year 2023 Committee Preferences

Marcus Pennell, Chairman, Board of Trustees, asked that Trustees fill out the 2023 Committee Preferences form. The Committee assignments will be brought to the Board for consideration at the January 20, 2023, Board meeting.



Committee Reports

Executive Committee

Suzanne Kubec, Vice Chair, Board of Trustees, reported the Executive Committee met on November 15, 2022, and approved the September 20, 2022, Committee Minutes. The Committee reviewed September 2022 Unaudited Financial Statements and the September 2022 Budget Report. Finally, the Committee reviewed the November 17-18, 2022, Board Meeting Agenda and Committee Meetings Schedule.

Audit Committee

Timothy M. O'Brien, Committee Chairman, reported the Committee met the previous day. The Committee received the *Annual Summary Report to the Board of Trustees on Audit Committee Governance Activities*, the plan for the 2022 Financial Audit of PERA, information on proposed changes to the *Annual Comprehensive Financial Report (ACFR)*, and a draft timetable for the 2022 ACFR. The Committee approved the *Internal Audit Charter*, the *Internal Audit Risk Assessment*, the *2023 Internal Audit Plan*, and the 2023 Internal Audit budget. Additionally, the Committee received a report on recent Internal Audit activities. Finally, they met privately and separately with the Internal Audit Director, the Executive Director, and the General Counsel.

Benefits Committee

Julie Friedemann, Committee Chair, reported the Committee met the previous day. The Committee received updates from staff regarding the disability program and its audit results, the life insurance program, PERACare open enrollment, and PERA's Capital Accumulation Plans.

Compensation and Budget Committee

Amy Grant, Committee Chair, reported the Committee met October 21, 2022. The Committee approved the proposed 2023 PERA Operating Budget.

Scott Smith moved that the Compensation and Budget Committee recommends, "*the Board of Trustees approve the proposed 2023 PERA Operating Budget in the total amount of \$105,058,415.*" The motion was approved.

Evaluation Committee

Marcus Pennell, Chairman, Board of Trustees, reported the Committee met on November 17, 2022. The Committee received information regarding the Executive Director 2022 Performance Evaluation and the structure for the 2023 Executive Director Performance Evaluation and General Leadership and Management Survey. The Committee approved the criteria for evaluating the 2023 performance of the Executive Director.



Committee Reports (Continued)

Investment Committee

Rebecca Freyre, Committee Chair, reported the Committee met the previous day. The Committee received the biennial review of the *CIF Statement of Investment Policy*. The proposed changes will be brought to the full Board for consideration in January. The Committee also received an overview of the Real Estate department and the Real Estate investments. The Committee was provided a fee evaluation for the Capital Accumulation Plans and information about the defined benefit program costs.

2023 Board Election Calendar

Sarah Wager, PERA Director of Internal Audit, provided information regarding the 2023 Election.

A motion was made by Suzanne Kubec and seconded by Norm Franke that, *“the 2023 Board Election Calendar be approved as it appears in Tab D of the meeting materials.”* The motion was approved.

Member Contribution Interest Rate

Ron Baker, PERA Executive Director, provided information regarding the Member Contribution Interest Rate.

A motion was made by Ramon Alvarado and seconded by Trina Ruhland that, *“the Board approve 3.0 percent as the member contribution interest rate for 2023 pursuant to CRS 24-51-407(4).”* The motion was approved.

The Board recessed at 10:27 a.m. and reconvened at 10:45 a.m.

Actuarial Audit Results

Ron Baker, PERA Executive Director, introduced Buck's David Driscoll, Principal, Consulting Actuary; Mike Ribble, Principal, Consulting Actuary; Kevin Penderghest, Director, Consulting Actuary. Buck reviewed the Actuarial Audit results and responded to questions.

The Board recessed at 11:30 a.m. and reconvened at 12:31 p.m.

Strategic Plan Update

Ron Baker, PERA Executive Director; Amy McDuffee, Founder/CEO, Mosaic Governance Advisors, LLC; Catherine Jackson (V), CPA, CA, Mosaic Governance Advisors, LLC provided follow-up from an item at the Planning Session. The Board received information regarding the prior strategic focus and reviewed the results of the survey sent after the Board's September Planning Session. Mr. Baker and Ms. McDuffee responded to questions.



The Board recessed at 2:02 p.m. and reconvened at 2:15 p.m. Timothy M. O'Brien left the meeting at the 2:02 p.m. and did not return.

Staff Reports

Executive Director Report

Ron Baker, PERA Executive Director, reviewed the Executive Director Report presentation.

Market & Portfolio Update

Amy C. McGarrity, PERA Chief Investment Officer/Chief Operating Officer, reviewed the Market & Portfolio Update presentation.

Legal Update

Kevin Gallaway, PERA General Counsel, requested that the Board go in to Closed Executive Session. The Board went into Closed Executive Session at 3:00 p.m. The issues discussed involved pending or imminent litigation and specific legal questions addressed to General Counsel regarding the following:

- Volkswagen Foreign Litigation
- Petrobras Arbitration
- In re Mitsubishi Motors Corporation International Securities Litigation
- Doris Behr 2012 Irrevocable Trust v. Johnson & Johnson
- Nissan Foreign Litigation • Danske Bank Foreign Litigation
- Jerome Greene v. PERA
- PERA v. Tri-County Health Department, Douglas County, Arapahoe County and Adams County
- Braaten v. Unum and PERA
- Daimler
- Kansai Electric Power Co, Inc.
- Settlements
- C.R.S. § 24-51-205(6)(b) Staff Decisions Reversed by the Executive Director

The Closed Executive Session concluded at 3:40 p.m.

Other Business

With no further business to discuss, Mr. Pennell adjourned the Board Meeting at 3:45 p.m.



2023 Board Meeting Dates

- January 20, 2023
- March (23) 24, 2023
- June (15) 16, 2023
- September 20-22, 2023, Planning Session and Board Meeting
- November (16) 17, 2023

Respectfully submitted by,

Brenda Meidl

Manager of the Executive Director's Office

A handwritten signature in black ink, appearing to read "Marcus Pennell".

Marcus Pennell, Chairman, Board of Trustees

A handwritten signature in black ink, appearing to read "Ron Baker".

Ron Baker, Executive Director

Approval Date: January 20, 2023