



**Colorado Public Employees' Retirement Association
Board Meeting Minutes**

**Raymond "Doc" Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, Colorado
March 20, 2020
8:30 a.m.**

The meeting was held remotely by using a teleconferencing service in order to comply with recommendations from the Governor to minimize the size of groups gathering due to the COVID-19 pandemic. A small number of members from PERA's leadership team were present at 1301 Pennsylvania Street, with the majority of staff and Board members attending remotely. Members of the public were able to attend in person and seated in a separate room to ensure appropriate social distancing.

Trustees Present: Timothy M. O'Brien, Chairman, Marcus Pennell, Vice Chairman, Ramon Alvarado, Thomas Barrett, Guillermo Barriga, Rebecca Freyre, Julie Friedemann, David Hall, Roger Johnson, Suzanne Kubec, Tina Mueh, Susan Murphy, William Parker, Cheryl Pattelli, David Young, Amy Grant

Staff Present: Ron Baker, Kevin Carpenter, Adam Franklin, Amy C. McGarrity, Brenda Meidl, Joshua Neugebauer, Karl Paulson, Ande Sailer, Rebecca Shelton, Tara Stacy, Michael Steppat, Sarah Wager, Kurt Woock, Annie Yao

Timothy M. O'Brien, Chairman, called the meeting to order at 8:00 a.m.

Approval of the Agenda

A motion was made by David Hall and seconded by William Parker that, "*the Board of Trustees approve the Consent Agenda as published with the following items:*

- a. *Approval of Agenda*
- b. *Approval of January 17, 2020, Board Meeting Minutes*
- c. *Divestment from Companies with Prohibitions Against Israel Restricted Company List."*

The motion was approved.

With no objections from the Board, Market and Portfolio Update and the Executive Director's Report were moved to the beginning of the Agenda.



Staff Reports

Market and Portfolio Update

Amy C. McGarrity, PERA Chief Investment Officer, reviewed the Market and Portfolio Update presentation. The presentation was transmitted to Trustees as Tab H. Ms. McGarrity responded to questions.

Executive Director Report

Ron Baker, PERA Executive Director, reviewed the Executive Director Report, which was transmitted to Trustees as Tab G. Mr. Baker responded to questions.

Public Comment

There was no public comment.

2020 Board Election

Kevin Carpenter, PERA Chief Administrative Officer, provided information regarding the State Division election.

A motion was made by David Young and seconded by Roger Johnson that, *“the Board direct staff to conduct an election for one seat in the State Division to be elected by the members of that division and to include in that election the following slate of candidates:*

- *Jason F. Gross*
- *David Hall*
- *Rosalie Johnson*
- *Wayne L. Peel*
- *Cheryl Walters”*

The motion was approved.

Mr. Carpenter continued with information regarding the School Division election.

A motion was made by Rebecca Freyre and seconded by David Hall that, *“the Board approve the appointment of Nathan Geroche for the School Division Trustee position on the Board of Trustees for a four-year term beginning July 1, 2020, as he is the sole candidate duly nominated and eligible to be elected to the position. Further, I move that the Board direct staff to not go forward with the election for the School Division position.”* The motion was approved.

Mr. Carpenter provided information regarding the Local Government Division election.

A motion was made by Suzanne Kubec and seconded by Rebecca Freyre that, *“the Board approve the appointment of Cheryl Pattelli for the Local Government Division Trustee position on the Board of Trustees for a two-year term beginning July 1, 2020, as she is the sole candidate duly nominated and eligible to be elected to the position.*



2020 Board Election (Continued)

Further, I move that the Board direct staff to not go forward with the election for the Local Government Division position.” The motion was approved.

Lastly, Mr. Carpenter provided information regarding the Denver Public School Division election.

A motion was made by Susan Murphy and seconded by Thomas Barrett that, *“the Board approve the appointment of Amy Grant for the Denver Public Schools Division Trustee position on the Board of Trustees for a four-year term beginning July 1, 2020, as she is the sole candidate duly nominated and eligible to be elected to the position. Further, I move that the Board direct staff to not go forward with the election for the Denver Public Schools Division position.”* The motion was approved.

Active Risk

The Aon team of John Lee, Partner, Katie Comstock, Senior Consultant, and Laura Flaum, Senior Consultant, reviewed the Active Risk presentation.

A motion was made by Susan Murphy and seconded by Ramon Alvarado that, *“the Board of Trustees approve the amended Active Risk Policy as shown in Tab C of the Board Meeting materials dated March 20, 2020, effective January 1, 2020. The Statement of Investment Policy and all other pertinent reports and documents will be updated as necessary.”* The motion was approved.

Committee Reports

Executive Committee

Marcus Pennell, Vice Chairman, reported that the Committee met on March 16, 2020. The Committee reviewed the December 31, 2019, and January 31, 2020, Unaudited Financial Statements and the Budget Reports for February 2020. They also reviewed the March 19-20, 2020, Board Meeting Agenda and Schedule. Discussion ensued and the Committee was in consensus to approve the Educational Waiver Request by Amy Grant.

Audit Committee

David Hall, Committee Chairman, reported that the Committee met the previous day. The Committee received an update on CliftonLarsonAllen’s plan for the 2019 Financial Audit. Additionally, the Committee received updates on the 2019 *Comprehensive Annual Financial Report* and the Internal Audit Division activity.



Benefits Committee

Suzanne Kubec, Committee Chair, reported that the Committee met the previous day. The Committee approved proposed revisions to PERA's 401(k) and DC Plan and Trust Document, and PERA's 457 DC Plan Document and will ask for the Board's consideration at the June 19, 2020 meeting. The Committee also heard from Callan regarding the Defined Contribution Record keeper RFP process. Additionally, they received a report on the Capital Accumulation Plans (CAP). Lastly, they were provided a presentation by Milliman on PERA's Life Insurance and Disability programs.

Compensation and Budget Committee

Roger Johnson, Committee Chairman, reported that the Committee met the previous day. The Committee receive information regarding the 2019 PERA Employees Metrics report and they reviewed the Budget Report for February 2020.

Evaluation Committee

Timothy M. O'Brien, Chairman, reported that the Committee met the previous day. The Committee approved the criteria for evaluating the 2020 performance of the Executive Director.

Investment Committee

Susan Murphy, Committee Chair, reported that the Committee met the previous day and approved the proposed revisions to four investment policies which will be brought to the Board for consideration at the June Board meeting. The Committee received a CAP update and information regarding the Proxy Voting Policy. Additionally, the Committee received information regarding the management of risk factors in PERA's portfolio. Lastly, the Committee received an overview of the Alternatives asset class.

Legislative Update

Ron Baker, PERA Executive Director, and Michael Steppat, PERA Public & Government Affairs Manager, reviewed the Legislative Update presentation. Mr. Baker and Mr. Steppat responded to questions.

Strategic Plan Update

Ron Baker, PERA Executive Director, provided an update on the Strategic Plan. The presentation was transmitted to Trustees as Tab D.

Interest on Member Accounts Policy Review

Ron Baker, PERA Executive Director, provided information regarding the Interest on Member Accounts Policy. The Board was in consensus for staff to move forward to revise the Interest on Member Accounts Policy for consideration at the September Board meeting. The member interest credit policy presentation was transmitted to the Trustees as Tab E.

Actuarial Educational Session

Koren Holden, PERA Senior Actuary, Brad Ramirez, Segal Consulting, Vice President and Consulting Actuary, and Melissa Krumholz, Segal, reviewed the Actuarial Education presentation. Ms. Krumholz and Mr. Ramirez responded to questions. The presentation was transmitted to Trustees as Tab F.

Staff Reports

General Counsel Update

Adam Franklin, PERA General Counsel, provided an update on the Board's current Fiduciary Counsel, who has moved to a new firm. Extensive discussion ensued and Mr. Franklin responded to questions.

A motion was made by David Hall and seconded by Tina Mueh that, "*PERA retain Thomas J. Krysa, Foley & Lardner LLP, as the Board's Fiduciary Counsel.*" The motion passed with two dissenting votes by Susan Murphy and Guillermo Barriga.

Cyber Security

A motion was made by Roger Johnson and seconded by David Hall that, "*the Board go in to Closed Executive Session to discuss issues that involve details of security arrangements concerning PERA.*"

The motion was approved and the Board went into Closed Executive Session at 1:16 p.m. In addition to the Trustees, the Executive Director and the General Counsel, all the Chief Officers, the Internal Audit Manager, IT Audit Project Manager, the Multimedia Specialist, and the Manager of the Executive Director's Office participated in the Closed Executive Session. The Closed Executive Session concluded at 2:05 p.m.

Other Business

William Parker requested that the Board consider the following information regarding the Active School Election:

1. Accept my candidacy packet received by PERA in 2016 as my candidacy packet for 2020. This should not be a problem because my biography would be the same, my trustee candidate questions would be unchanged and most importantly my 167 active teacher petition signatures will yield more than the required 100 active teacher signatures required. If you do not have my original candidacy packet on file at PERA, I have attached an electronic copy below, including all 167 petition signatures.
2. Given my first petition is unacceptable to the board, I would petition PERA's board to adjust the 2020 timeline for PERA's candidate election calendar, given the serious outbreak of the Coronavirus Disease 2019 (COVID-19).

Adam Franklin, General Counsel, opined that the Board could not consider either requests due to the Statutes and Rules set in place.



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With no further business to discuss, Timothy M. O'Brien, Chairman, Board of Trustees, adjourned the Board meeting at 2:13 p.m.

Board Meetings

June (18) 19, 2020

September 9-11, 2020 Planning Session

November (19) 20, 2020

Respectfully submitted by

Brenda E. Meidl

Manager of the Executive Director's Office

Timothy M. O'Brien, Chairman, Board of Trustees

Ron Baker, Executive Director
Approval Date: June 19, 2020