



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

**Virtual
March 19, 2021
8:30 a.m.**

The meeting was held remotely by using a teleconferencing service and a livestream service in order to comply with recommendations from the Governor to minimize the size of groups gathering due to the COVID-19 pandemic.

Trustees Present: Marcus Pennell, Chairman, David Hall, Vice Chairman, Ramon Alvarado, Thomas Barrett, Guillermo Barriga, Rebecca Freyre, Julie Friedemann, Nathan Geroche, Amy Grant, Suzanne Kubec, Taylor McLemore, Tina Mueh, Susan Murphy, Timothy M. O'Brien, Dave Young

Trustees Absent: Cheryl Pattelli

Staff Present: Ron Baker, Kevin Carpenter, John Carreon, Adam Franklin, Patrick Lane, Amy C. McGarrity, Brenda Meidl, Ande Sailer, Rebecca Shelton, Michael Steppat, Sarah Wager

Others Present: Janet Becker-Wold, Callan; Katie Comstock, Aon; Laura Flaum, Aon; John Lee, Aon; Brad Ramirez, Segal; Matt Strom, Segal; Ben Taylor, Callan; Gordie Weightman, Callan

Marcus Pennell, Chairman, called the Board meeting to order at 8:32 a.m.

Approval of Consent Agenda Action

A motion was made by Timothy M. O'Brien and seconded by Suzanne Kubec that stated, *"the Board approves the Consent Agenda which includes the following items:*

- a. Approval of Agenda*
- b. Approval of January 15, 2021, Board Meeting Minutes*
- c. Divestment from Companies with Prohibitions Against Israel Restricted Company List"*

The motion was approved.

Public Comment Information

There was no public comment.

2021 Board Election

Kevin Carpenter, PERA Chief Administrative Officer Action

A motion was made by Timothy M. O'Brien and seconded by David Hall that stated, *"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: Suzanne Kubec, Ashley Smith, Brian Tapley."* The motion was approved.

A motion was made by Rebecca Freyre and seconded by Timothy M. O'Brien that stated, *"that the Board direct staff to conduct an election for two seats in the School Division to be elected by the members of that division and to include in that election the following slate of candidates: Michael Carlson, Sean Milner, Markus Moeder-Chandler, Tina Mueh, Marcus Pennell."* The motion was approved.

A motion was made by David Hall and seconded by Suzanne Kubec that stated, *"the Board direct staff to conduct an election for one Retiree seat to be elected by retirees from the Local Government Division, the Judicial Division, or the School Division, and to include in that election the following slate of candidates: Kelly Curran, Julie Friedemann, Patricia K. Kelly, Randall Zila."* The motion was approved.

Susan Murphy's term will be expiring July 10, 2021, and she announced that she would not be seeking reappointment. Board members thanked her for her service on the Board and wished her well.

Governance Review

Adam Franklin, PERA General Counsel, provided information regarding the Governance Review, the information was transmitted to Trustees as Tab E. Mr. Franklin responded to questions. Proposed changes to the Governance Manual will be presented at the Board September Planning Session for the Board's consideration.

Committee Reports

Executive Committee

The Executive Committee met on March 15, 2021, and approved the January 12, 2021, minutes. The Committee reviewed the October 31, 2020, and November 30, 2020, Unaudited Financial Statements and the 2020 Budget Reports. The Committee approved an education substitution for a Trustee. The Committee also reviewed changes to the Board Significant Events Timeline. Finally, the Committee reviewed the March 18-19, 2021, Board and Committee Meetings Schedule and Board Meeting Agenda.

Audit Committee

Timothy M. O'Brien, Committee Chairman, reported the Committee met the previous day. The Committee received information regarding the Colorado PERA 2020 Financial Audit Update, PERA 2020 Annual Report. In addition, the Committee received updates of the Internal Audit activity status and regarding the PERA Internal Controls.

Benefits Committee

Suzanne Kubec, Committee Chair, reported the Committee met the previous day. The Committee received an update on the Defined Contribution (DC) Recordkeeper RFP. In addition, the Committee received information regarding the Capital Accumulation Plans (CAP) and 2020 Benefits Review.

Compensation and Budget Committee

Amy Grant, Committee Chair, reported the Committee met the previous day. The Committee received information about a 2021 Compensation Study and 2020 PERA Employee Metrics.

Evaluation Committee

Marcus Pennell, Chairman, Board of Trustees, reported the Committee met the previous day. The Committee received information about 2021 Executive Director Evaluation and approved the Executive Director Performance Evaluation Survey.

Investment Committee

Susan Murphy, Committee Chair, reported that the Committee met the previous day. The Committee received information regarding the compliance with the Combined Investment Fund (CIF) Statement of Investment Policy and Investment Manager compliance. In addition, the Committee received a Corporate Governance update, CAP fourth quarter performance information, and an overview of the PERA Global Equity Asset Class.

Defined Contribution (DC) Record Keeper

Patrick Lane, PERA Chief Benefits Officer introduced Matthew Carroll, PERA Director of Benefits and Ben Taylor, Callan LLC, Senior Vice President. They reviewed the Defined Contribution Plans Recordkeeper RFP presentation, which was transmitted to Trustees as Tab D.

The Board recessed at 10:01 a.m. and reconvened at 10:16 a.m.

Mr. Taylor continued with the review of the presentation and responded to questions. Extensive discussion ensued and Mr. Taylor and Mr. Carroll responded to questions.

A motion was made by Ramon Alvarado and seconded by Timothy M. O'Brien that, *"the Board of Trustees interview Voya and Empower as the finalists for recordkeeping services for PERA's defined contribution plans."* The Chairman called for a roll-call vote with the following results: Ramon Alvarado, Yes; Thomas Barrett, No; Guillermo Barriga, No; Rebecca Freyre, No; Julie Friedemann, No; Nathan Geroche, No; David Hall, No; Suzanne Kubec, No; Taylor McLemore, No; Tina Mueh, No; Susan Murphy, No; Timothy M. O'Brien, Yes; Marcus Pennell, No; Dave Young, No.

The motion failed.

A motion was made by Tina Mueh and seconded by Rebecca Freyre that, *“the Board of Trustees hire Empower as the provider of recordkeeping services for PERA’s defined contribution plans, subject to successful contract negotiations.”* The Chairman called for a roll-call vote with the following results: Ramon Alvarado, Abstain; Thomas Barrett, Yes; Guillermo Barriga, Yes; Rebecca Freyre, Yes; Julie Friedemann, Yes; Nathan Geroche, Yes; David Hall, Yes; Suzanne Kubec, Yes; Taylor McLemore, Yes; Tina Mueh, Yes; Susan Murphy, Yes; Timothy M. O’Brien, Yes; Marcus Pennell, Yes; Dave Young, Yes. The motion passed.

Legislative Update

Ron Baker, PERA Executive Director, and Michael Steppat, PERA Public & Government Affairs Manager, reviewed the Legislative Update. The presentation was transmitted to Trustees as Tab E1. Mr. Baker and Mr. Steppat responded to questions. The Board directed staff to testify on PERA’s behalf for any legislative bills that have an impact on PERA, in alignment with PERA’s policies.

The Board recessed at 12:02 p.m. and reconvened at 12:47 p.m.

Cybersecurity

The Board voted to go into Closed Executive Session pursuant to § C.R.S. 24-6-402(3)(a)(IV) to discuss issues that involved details of security arrangements concerning PERA.

The Trustees; the Executive Director; the General Counsel; all Chief Officers; the Director of Internal Audit; the IT Project Audit Manager; and the Manager of the Executive Director’s Office participated in the Closed Executive Session. The Closed Executive Session began at 12:49 a.m. and concluded at 1:27 p.m.

Board Education

Adam Franklin, PERA General Counsel, reviewed the Board Education Policy Review presentation, which was transmitted to Trustees as Tab F. Mr. Franklin responded to questions.

Educational Workshop – Impact of the Assumptions on Plan Liabilities

Brad Ramirez, Segal, Vice President and Consulting Actuary; Matt Strom, Segal, Senior Vice President and Actuary, provided an Educational Workshop on the Impact of the Assumptions on Plan Liabilities, the presentation was transmitted to Trustees as Tab G. The Educational Workshop began at 1:45 p.m. and concluded at 2:30 p.m.

The Board recessed at 2:30 p.m. and reconvened at 2:45 p.m.



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Staff Reports

Executive Director Report

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

Market and Portfolio Update

Amy C. McGarrity, PERA Chief Investment Officer, reviewed the Market and Portfolio Update presentation, which was transmitted to Trustees as Tab I.

Chief Benefits Officer Update

Patrick Lane, PERA Chief Benefits Officer, reviewed the Benefits Update and responded to questions. The report was transmitted to Trustees as Tab J.

General Counsel Update

Adam Franklin, PERA General Counsel, did not have a public update for Trustees. Trustees had no questions regarding the Privileged and Confidential General Counsel Report transmitted to Trustees electronically.

Other Business

David Hall, Vice Chairman, announced that this will be his last meeting serving on the Board. He will no longer be working for a State employer effective April 1, 2021, making him ineligible to serve on the Board of Trustees. Board members and the Executive Director thanked him for his service and wished him well.

Ramon Alvarado requested that public statements be added as a discussion item on the Agenda at a future Board meeting. Discussion ensued and Ron Baker responded to questions.

With no further business to discuss, Marcus Pennell, Chairman, Board of Trustees, adjourned the Board meeting at 4:00 p.m.

2021 Board Meetings

- June (17) 18, 2021
- September 15-17, 2021 Planning Session
- November (18) 19, 2021

A handwritten signature in black ink that reads "Marcus Pennell".

Marcus Pennell, Chairman, Board of Trustees

A handwritten signature in black ink that reads "Ron Baker".

Ron Baker, Executive Director
Approval Date: June 18, 2021

Respectfully submitted by

Brenda E. Meidl

Manager of the Executive Director's Office