



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

**Raymond "Doc" Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, Colorado
June 18, 2021
8:30 a.m.**

Trustees Present: Marcus Pennell, 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, Cheryl Pattelli, Dave Young

Staff Present: Ron Baker, Kevin Carpenter, Adam Franklin, Koren Holden, 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; Melissa Krumholz, Segal; John Lee, Aon; Brad Ramirez, Segal; Ashley Smith, Trustee-elect; Matt Strom, Segal; Ben Taylor, Callan

The meeting was a hybrid meeting with PERA's Chiefs and the majority of Board Trustees attending in person and presenters and some staff and Trustees attending remotely via Zoom.

Marcus Pennell, Chairman, called the Board meeting to order at 8:31 a.m.

Approval of Consent Agenda Action

A motion was made by Ramon Alvarado and seconded by Thomas Barrett that stated, *"the Board approves the Consent Agenda which includes the following items:*

- a. Approval of Agenda*
 - a. Approval of March 19, 2021, Board Meeting Minutes (Tab A)*
 - b. Resolution for Signature Authorization (Tab B)*
 - c. Anti-BDS (Boycott, Divestment and Sanctions) Report (Tab C)"*

The motion was approved.

Public Comment Information

Kaede Montooth, PERA Member, provided public comment regarding her view of PetSmart's treatment of their employees. Jerry Greene, PERA Member, provided public comment regarding his administrative appeal to the Board.

Proclamation - David Hall

Suzanne Kubec read the following proclamation for David Hall:

Whereas, David Hall served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from July 2016 through March 2021 and was elected by the members of the State Division; and

Whereas, during his time on the Board, David served as Vice Chairman of the Board, and by virtue of the Vice Chairman position, served on the Executive and Evaluation Committees; he chaired the Audit and Ad Hoc Executive Director Search Committees; and served as a member of the Compensation and Budget, Investment, Shareholder Responsibility, and Stakeholder Relations Committees; and

Whereas, David was ever mindful of his role as a fiduciary and steward and demonstrated his dedication and passion for the membership during deliberations of the Board; and

Whereas, David was a thoughtful listener and contributor and will be remembered for his propensity to ask important questions during Board meetings; and

Whereas, David's commitment to sustainability and governance contributed to the implementation of the Board's Strategic Plan (2019-2023) and adoption of new Mission and Vision statements; and

Whereas, David contributed to extensive discussions on legislative matters to ensure PERA's path to long-term sustainability through Senate Bill 18-200; and

Whereas, David embodied the highest qualities of a Trustee and earned the admiration and esteem of the PERA Board members and staff; and

Whereas, David's term on the PERA Board of Trustees ended in March 2021; now, therefore, be it Resolved, that with the highest level of appreciation and congratulations, the PERA Board of Trustees formally recognizes and thanks David Hall for his service to the PERA membership during his time as a Trustee, and wishes him well as he leaves the PERA Board of Trustees; and

Resolved, that a copy of this Resolution be placed in the official minutes of the June 18, 2021, PERA Board of Trustees meeting.

A motion was made by Suzanne Kubec and seconded by Dave Young that, *"the Proclamation concerning David Hall be approved."* The motion was approved.

2021 Board Election

Kevin Carpenter, PERA Chief Administrative Officer, provided information regarding the 2021 Board election results.

A motion was made by Susan Murphy and seconded by Rebecca Freyre that stated, *“the Board of Trustees Election Results as set forth in the report dated June 11, 2021, be affirmed and that Suzanne Kubec be elected to a four-year Board term from the State Division beginning July 1, 2021.”* The motion was approved.

A motion was made by Dave Young and seconded by Julie Friedemann that stated, *“the Board of Trustees Election Results as set forth in the report dated June 11, 2021, be affirmed and that Tina Mueh and Marcus Pennell be elected to a four-year Board term from the School Division beginning July 1, 2021.”* The motion was approved.

A motion was made by Rebecca Freyre and seconded by David Young that stated, *“the Board of Trustees Election Results as set forth in the report dated June 11, 2021, be affirmed and that Julie Friedemann be elected to a four-year Board term from the Retiree Division beginning July 1, 2021.”* The motion was approved.

A motion was made by Ramon Alvarado and seconded by Rebecca Freyre that stated, *“pursuant to C.R.S. 24-51-203, Ashley M. Smith be appointed to serve as a Trustee in the State Division until the next election of the Trustees. Ms. Smith’s term will begin at the next regular Board meeting after July 1, 2021.”* The motion was approved.

Board Officer Election

Marcus Pennell, Chairman, opened the floor for nominations of the Board Vice Chair. A nomination for Suzanne Kubec to be the Board Vice Chair was made by Susan Murphy and seconded by Timothy M. O’Brien. Ms. Kubec accepted the nomination. With no other nominations, the process was closed and Ms. Kubec was elected Board Vice Chair.

Investment Performance Report

John Lee, Aon, Partner, Katie Comstock, Aon, Associate Partner, Laura Flaum, Aon, Senior Consultant, presented the Investment Performance Report and responded to questions.

The Board recessed at 9:45 a.m. and reconvened at 10:00 a.m.

Actuarial Valuation

Brad Ramirez, Segal Consulting, Vice President & Consulting Actuary, Matt Strom, Segal Consulting, Senior Vice President and Consulting Actuary, Melissa Krumholz, Segal Consulting, Senior Health Consultant & Actuary, reviewed the presentation regarding the Actuarial Valuations. Discussion ensued and the Segal team and Ron Baker, PERA Executive Director, responded to questions.

Release of the 2020 Annual Financial Report

Timothy M. O'Brien, Committee Chairman, provided information regarding the *2020 Annual Financial Report*. Mr. O'Brien moved that the Audit Committee recommends that, "*the Board authorize the release of the 2020 Annual Financial Report.*" The motion was approved.

The Board recessed at 11:47 a.m. and reconvened 11:55 a.m.

Committee Reports**Executive Committee**

Marcus Pennell, Chairman, reported that the Executive Committee met on June 8, 2021 and approved the March 15, 2021, minutes. The Committee reviewed February, March, and April 2021, Unaudited Financial Statements and the April 2021 Budget Report. The Committee approved a Trustee education waiver. Finally, the Committee reviewed the June 17-18, 2021, Board and Committee Meetings Schedule and Board Meeting Agenda.

Audit Committee

Timothy M. O'Brien, Committee Chairman, reported the Committee met on June 8, 2021 and the previous day to review the *2020 Annual Financial Report*.

Benefits Committee

Suzanne Kubec, Committee Chair, reported the Committee met the previous day. The Committee received updates regarding PERAcare and Defined Contribution plans. The Committee also received an overview of the search for a Disability Program Administrator.

Compensation and Budget Committee

Amy Grant, Committee Chair, reported the Committee met the previous day. The Committee received information regarding the status of the employee compensation study.

Evaluation Committee

Marcus Pennell, Chairman, Board of Trustees, reported the Committee met the previous day. The Committee reviewed and received status updates on the 2020 Board performance evaluation recommendations.

Investment Committee

Susan Murphy, Committee Chair, reported that the Committee met the previous day. The Committee received information regarding the Anti-BDS report. In addition, the Committee received an update regarding the Investment Incentive Compensation Program. AON provided a Performance Measurement education workshop. The Committee received the Capital Accumulation Plans (CAP) First Quarter Performance Report and also received an Investments Operations overview.

Board Education Policy

Adam Franklin, PERA General Counsel, provided information regarding the proposed revisions to the Board Education Policy. Discussion ensued and Mr. Franklin responded to questions. The Committee will be provided a revised draft of the Policy at the September 17, 2021, Board meeting.

The Board recessed at 12:55 p.m. and reconvened at 1:40 p.m.

Public Statements Discussion

Marcus Pennell, Chairman, introduced Mosaic Governance Advisors, LLC, Amy McDuffee, Founder/CEO and Catherine Jackson, CPA, CA. Ms. McDuffee and Ms. Jackson facilitated the discussion regarding public statements for the Board. Extensive discussion ensued and the Board will continue the conversation at the September planning session.

The Board recessed at 3:10 p.m. and reconvened 3:20 p.m.

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.

Board Governance Consultant

Adam Franklin, PERA General Counsel, reviewed Board Governance Consultant presentation.

A motion was made by Tina Mueh and seconded by Nathan Geroche that, *“the Board of Trustees select Mosaic as the Board’s governance consultant, subject to successful contract negotiations.”* Discussion ensued and the motion was approved.

Timothy M. O’Brien left the meeting at 4:05 p.m. and did not return.

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 L.



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General Counsel Update

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 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
- Novo Nordisk Foreign Litigation
- Doris Behr 2012 Irrevocable Trust v. Johnson & Johnson
- Nissan Foreign Litigation
- Danske Bank Foreign Litigation
- PERA v. PERA LLC
- PERA v. The Career Building Academy
- Settlements
- C.R.S. § 24-51-205(6)(b) Staff Decisions Reversed by the Executive Director

The Closed Session began at 4:33 p.m. and concluded at 4:50 p.m.

Other Business

The Board recognized Susan Murphy, Governor Appointed Trustee, for her 15-year service on the PERA Board.

With no further business to discuss, Marcus Pennell, Chairman, Board of Trustees, adjourned the Board meeting at 5:00 p.m.

2021 Board Meetings

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

Respectfully submitted by

Brenda E. Meidl

Manager of the Executive Director's Office

Handwritten signature of Marcus Pennell in cursive script.

Marcus Pennell, Chairman, Board of Trustees

Handwritten signature of Ron Baker in cursive script.

Ron Baker, Executive Director

Approval Date: September 17, 2021