



**Public Employees' Retirement Association
Board Meeting
Raymond "Doc" Heath Memorial Boardroom
1301 Pennsylvania Street
Denver, CO
March 18, 2022
8:30 a.m.**

Trustees Present: Marcus Pennell, Chairman, Suzanne Kubec, Vice Chair, Ramon Alvarado, Thomas Barrett, Guillermo Barriga *(V), Norm Franke, Rebecca Freyre, Julie Friedemann, Nathan Geroche, Amy Grant, Taylor McLemore, Tina Mueh, Timothy M. O'Brien, Ashley Smith, Dave Young

Staff Present: Ron Baker, Kevin Carpenter, Adam Franklin, Patrick Lane, Amy C. McGarrity, Brenda Meidl, Ande Sailer, Sarah Wager, Annie Yao

Others Present: Katie Comstock, Aon; Rob Dwyer, Empower; John Lee, Aon; Danette Rausch, Empower; Jennah Ross, Empower

Marcus Pennell, Chairman, called the Board meeting to order at 8:30 a.m.

Approval of Consent Agenda

Amy C. McGarrity, PERA Chief Investment Officer, provided information regarding Tab B.

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

- Approval of Agenda
- Approval of January 21, 2022, Board Meeting Minutes (Tab A)
- Divestment from Companies with Prohibitions Against Israel Restricted Company List (Tab B)

The motion was approved.

Public Comment

Jordan Ash from the Private Equity Stakeholder Project provided his comments on Blackstone Group.

Happy Allen and Joy Potts testified about their support for PetSmart workers and their interest in sharing their concerns about the long-term value of COPERA's investment with the private equity firm BC Partners, which currently owns PetSmart.

Mr. Ash introduced Resilience Force member Joel Salazar and through an interpreter, Daniel Castellano, Mr. Salazar provided his concerns regarding Blackstone Group.



Committee Reports

Executive Committee

Suzanne Kubec, Vice Chair, Board of Trustees, reported that the Executive Committee met on March 15, 2022, and approved the January 18, 2022, minutes. The Committee reviewed January 31, 2022, Unaudited Financial Statements, and the January 2022 Budget Report. Finally, the Committee reviewed the March Committee meetings schedule and Board Meeting Agenda.

Audit Committee

Timothy M. O'Brien, Committee Chairman, reported the Committee met on March 17, 2022. The Committee received the 2021 Financial Audit update from Marisa Edwards, Deputy State Auditor, Office of the State Auditor, and Sean Walker, Principal, CliftonLarsonAllen LLP. In addition, the Committee received updates from staff regarding the *Colorado PERA Annual Comprehensive Financial Report (ACFR)* and the Internal Audit activity update.

Benefits Committee

Tina Mueh, Committee Chair, reported the Committee met on March 17, 2022. The Committee received updates from staff regarding the Disability Program RFP, Empower, 2021 Benefits review, and information regarding the Benefits team member's profiles.

Compensation and Budget Committee

Amy Grant, Committee Chair, reported the Committee met on March 17, 2022. The Committee received an update regarding PERA's workforce and LEAD Program.

Evaluation Committee

Marcus Pennell, Chairman, Board of Trustees, reported the Committee met on March 17, 2022. The Committee received information regarding the Board Performance Evaluation.

Investment Committee

Rebecca Freyre, Committee Chair, reported the Committee met on March 17, 2022. The Committee received information from Aon regarding PERA's compliance with the SIP and staff regarding the Investment Program Compliance. Callan LLC provided an update on the 4th quarter 2021 Capital Accumulation Plan performance. Staff presented the Proxy Voting Report. The last item was an educational session from the PERA Fixed Income team regarding securities lending.



Board Election

Kevin Carpenter, PERA Chief Administrative Officer, provided information regarding the upcoming Board term expirations and Board election.

A motion was made by Dave Young and seconded by Norm Franke that, *“the Board approve the appointment of Ramon Alvarado for the State Division Higher Ed Trustee position on the Board of Trustees for a four-year term beginning July 1, 2022, 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 State Division Higher Ed position.”*

A motion was made by Rebecca Freyre and seconded by Julie Friedemann that, *“the Board direct staff to conduct an election for one seat in the School Division to be elected by the members of that division and to include in that election the following slate of candidates:*

*Andrew Levine
JB “Jimmie” Phillips
Nathan Reimer
Scott Smith.”*

The motion was approved.

A motion was made by Suzanne Kubec and seconded by Timothy M. O’Brien 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:*

*Ashley Smith
Tracy Rushing.”*

The motion was approved.

Concerning the Local Government Division vacancy, an Ad Hoc Committee will be created to coordinate the search for a qualified local government division Trustee to fill the seat vacated by Cheryl Pattelli on November 30, 2021. The Committee shall work with staff to announce the vacancy and recommend one or more candidates to the full Board for consideration and appointment.

Educational Workshop – Principals of Benchmarking

At 9:30 a.m. Aon’s John Lee, Partner and Katie Comstock, Associate Partner, discussed PERA’s asset class benchmarks and responded to questions. The presentation concluded at 10:30 a.m. Ramon Alvarado left the meeting during the above presentation at 9:35 a.m. and returned at 9:45 a.m.

The Board recessed at 10:30 a.m. and reconvened at 10:49 a.m.



Actuarial Audit Service Provider RFP

Ron Baker, PERA Executive Director, and Koren Holden, PERA Senior Actuary, provided an update regarding the Actuarial Audit Service Provider RFP. Mr. Baker and Ms. Holden responded to questions.

A motion was made by Ashley Smith and seconded by Suzanne Kubec that, “*the Board engage Buck in an agreement to perform the 2022 Actuarial Audit.*” The motion was approved.

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.

Cyber Security Update

John Carreon, PERA Director of Information Technology, requested the Board go into Closed Executive Session to discuss issues that involve details of security arrangements concerning PERA. The Board voted to go into Closed Executive Session at 11:40 a.m.

In addition to the Trustees, the Executive Director, and the General Counsel, all the Chief Officers, the Director of Internal Audit, and the Manager of the Executive Director’s Office participated in the Closed Executive Session.

The Closed Executive Session concluded at 12:25 p.m. and the Board recessed. The Board reconvened at 1:16 p.m.

Fiduciary Counsel Review

Adam Franklin, PERA General Counsel, reviewed the process and timeline to consider the Board’s Fiduciary counsel. Mr. Franklin responded to questions.

A motion was made by Norm Franke and seconded by Timothy M. O’Brien that, “*the Board retain Suzanne Dugan from the law firm of Cohen Milstein Sellers & Toll as its Outside Fiduciary Counsel.*” The motion was approved.

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, reviewed the Market & Portfolio Update presentation.

Chief Benefits Officer Update

Patrick Lane, PERA Chief Benefits Officer, reviewed the Chief Benefits Officer Update presentation.



General Counsel Update

Adam L. Franklin, PERA General Counsel, requested the Board go into Closed Executive Session to discuss issues that involve pending or imminent litigation and specific legal questions addressed to General Counsel. The Board voted to go into Closed Executive Session at 2:33 p.m.

In addition to the Trustees, the Executive Director, and the General Counsel, all the Chief Officers, the Director of Internal Audit, and the Manager of the Executive Director's Office participated in the Closed Executive Session.

The Closed Executive Session concluded at 2:50 p.m.

Other Business

Marcus Pennell, Chairman, Board of Trustees, announced the members of the Ad Hoc Committee – Board Vacancy Local Government: Suzanne Kubec, Committee Chair, Amy Grant, and Julie Friedemann. Additionally, he informed the Board that Suzanne Kubec will Chair the June 17, 2022, Board meeting in his absence. Finally, Trustee Tina Mueh announced her retirement at the end of May 2022.

With no further business to discuss, Mr. Pennell adjourned the Board Meeting at 2:58 p.m.

2022 Board Meeting Dates

June (16) 17, 2022

September 21-23, 2022, Planning Session and Board Meeting

November (17) 18, 2022

Respectfully submitted by

Brenda E. Meidl

Manager of the Executive Director's Office

Marcus Pennell, Chairman, Board of Trustees

Ron Baker, Executive Director

Approval Date: June 17, 2022

*Virtual (V)