



**Public Employees' Retirement Association  
Board Meeting**

**Raymond "Doc" Heath Memorial Boardroom  
1301 Pennsylvania Street  
Denver, CO**

**March 24, 2023  
8:30 a.m.**

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

**Staff Present:** Kevin Gallaway, Jeremy Hill, Patrick Lane, Pat Mauser, Amy C. McGarrity, Brenda Meidl, Ande Sailer, Sarah Wager (V)

**Others Present:** Katie Comstock, Aon, John Lee, Aon, Suzanne Dugan, PERA Fiduciary Counsel

\*Virtual = (V)

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

**Approval of Consent Agenda**

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 20, 2023, Board Meeting Minutes (Tab A)*
- *Approval of March 9, 2023, Board Meeting Minutes (Tab B)*
- *Divestment from Companies with Prohibitions Against Israel Restricted Company List (Tab C)."*

The motion was approved.

**Public Comment**

Lesley MacGregor, a retired teacher, provided her concerns regarding inflation and her PERA benefits.

Kent Willman, a member of the public, commented on inflation concerns and PERA benefits.

Mary Bugbee, Research/Campaign Coordinator – Healthcare, Private Equity Stakeholder Project (PESP), provided information regarding labor concerns with Blackrock.



## **Committee Reports**

### **Executive Committee**

Suzanne Kubec, Vice Chair, Board of Trustees, reported the Committee met on March 21, 2023, and approved the January 17, 2023, Committee Minutes. The Committee reviewed the January 2023, Unaudited Financial Statement and Budget Report. The Committee approved a Trustee educational waiver and a reimbursement request. Finally, the Committee reviewed the March Board Meetings Schedule and March 24, Board Meeting Agenda.

### **Audit Committee**

Timothy M. O'Brien, Committee Chairman, reported the Committee met the previous day and received the PERA 2022 Financial Update from CliftonLarsonAllen LLP. The Committee also received updates regarding the 2022 Annual Comprehensive Financial Report (ACFR), Internal Audit Activity Status, and Internal Audit External Quality Assurance Review. Finally, the Committee met privately with Sarah Wager, PERA Director of Internal Audit.

### **Benefits Committee**

Julie Friedemann, Committee Chair, reported the Committee met the previous day and received the Capital Accumulation Plans Update, and Mobile App Update. In addition, the Committee received information about the Video Strategy and a Member Education Team Profile. Finally, the Committee received a 2022 Benefits Review presentation.

### **Compensation and Budget Committee**

Amy Grant, Committee Chair, reported the Committee met the previous day and reviewed the Committee Charter. The Committee also received a PERA's Workforce Update from Rebecca Harren, PERA Director of Human Resources.

### **Evaluation Committee**

Marcus Pennell, Chair, Board of Trustees, reported the Committee met the previous day and reviewed the Board's Performance Evaluation.

### **Investment Committee**

Rebecca Freyre, Committee Chair, reported the Committee met the previous day. The Committee reviewed and approved the changes to the Combined Investment Fund Statement of Investment Policy (CIF SIP). The Committee also received information regarding Investment program compliance, compliance with the CIF Statement of Investment Policy, a Proxy Voting Report, Capital Accumulation Plans Fourth Quarter Performance, and Global Equities Asset Class Overview. The Committee discussed the timing of the Proxy Voting Policy review.

### **2023 Board Election**

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

A motion was made by Nathan Geroche and seconded by Julie Friedemann that, *“the Board approve the appointment of Rebecca Freyre to the Judicial Division Trustee position on the Board of Trustees for a four-year term beginning July 1, 2023, 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 Judicial Division position.”*

The motion was approved.

A motion was made by Dave Young and seconded by Timothy M. O'Brien 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:*

*Drew Adams, Eunice Botchway, Patricia Fichter, and J.B. Phillips.”*

The motion was approved.

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

*Tristan Gearhart and Trina Ruhland.”*

The motion was approved.

A motion was made by Suzanne Kubec and seconded by Julie Friedemann that, *“the Board direct staff to conduct an election for the Retiree seat, to be elected by retirees from the State, Local Government, and Judicial Divisions and to include in that election the following slate of candidates:*

*Bonita Angotti and Timothy M. O'Brien.”*

The motion was approved.

### **Board Governance Compliance Review**

Kevin Gallaway, PERA General Counsel, provided a Board Governance Compliance presentation and responded to questions.

## **Staff Reports**

### **Executive Director Report**

Amy C. McGarrity, PERA Chief Investment Officer/Chief Operating Officer, presented the Executive Director Report.

The Board recessed at 9:18 a.m. and reconvened at 9:30 a.m.

### **Member Administrative Appeal**

An Administrative Appeal involves member information deemed confidential by C.R.S. § 24-51-213(1). The Appellant shall therefore have the option to request that the oral argument portion of this hearing be heard in a Closed Executive Session in accordance with the Colorado Open Meetings Act at C.R.S. § 24-6-402(3)(a)(III), as the issues discussed are required to be kept confidential by C.R.S. § 24-51-213(1). Further, the deliberation of the Board regarding the Appeal shall be conducted in Closed Executive Session in accordance with the Colorado Open Meetings Act at C.R.S. § 24-6-402(3)(a)(II), as the issues to be discussed involve conferences with an attorney concerning specific claims or grievances. Mr. Schwane requested that his client's Appeal be heard in Closed Executive Session. The Board went into Closed Executive Session at 9:30 a.m.

Everyone left the meeting except the Trustees, Suzanne Dugan, PERA Fiduciary Counsel, Mr. Schwane, Mr. Soltani, Megan Peitzmeier, PERA Senior Staff Attorney, Caleb Durling, PERA outside counsel, staff members Jennifer Schreck, PERA Senior Staff Attorney and Manager of Legal Services, Linda Cruz, PERA Paralegal II, and the Court Reporter. Let the record also reflect that Board members Rebecca Freyre, Amy Grant, Taylor McLemore, and Norm Franke excused themselves from the meeting as well as all the Chief Officers and Kevin Gallaway, PERA General Counsel. For the deliberation portion of the Appeal, only Suzanne Dugan, PERA Fiduciary Counsel, and the participating Trustees remained in the meeting.

The Closed Executive Session concluded at 10:40 a.m.

A motion was made by Dave Young and seconded by Suzanne Kubec that, *"the Board adopt and ratify the Findings of Fact, Conclusions of Law and Decision of the Administrative Review Panel to deny Mr. Soltani's request that November 1998 should be used as his membership date in the PERA benefit plan."* The motion was approved with the following Trustees abstaining from the vote: Norm Franke, Rebecca Freyre, Taylor McLemore, and Amy Grant.

The Board recessed at 10:40 a.m. and reconvened at 10:55 a.m.



### **Legislative Update**

Amy C. McGarrity, PERA Chief Investment Officer/Chief Operating Officer, and Michael Steppat, PERA Public & Government Affairs Manager, provided an update on introduced legislation that affects PERA. Ms. McGarrity and Mr. Steppat responded to questions and received the Board's guidance for staff's response to PERA-related bills. Responses to legislation shall be based on the Board's Principles and Policies.

### **Cyber Security Update**

In accordance with the Colorado Open Meetings Act, the Board of Trustees in Open Session is to determine whether it will hold a Closed Executive Session. The issues to be discussed involve details of security arrangements concerning PERA.

In addition to the Trustees, John Carreon, PERA Director of Information Technology, The General Counsel, all the Chief Officers, the Director of Internal Audit, and the Manager of the Executive Director's Office will participate in the Closed Executive Session.

The Closed Executive Session began at 11:25 a.m. and concluded at 12:14 p.m. Taylor McLemore left the meeting at 11:45 a.m.

The Board recessed at 12:15 p.m. and reconvened at 1:15 p.m.

### **Strategic Plan Update**

Amy C. McGarrity, PERA Chief Investment Officer/Chief Operating Officer, Jeremy Hill, PERA Chief Administrative Officer, Patrick Lane, PERA Chief Benefits Officer, presented an update on the Strengths, Weaknesses, Opportunities, and Threats analysis completed with PERA's directors.

Taylor McLemore returned to the meeting at 1:37 p.m. during the above presentation.

### **Staff Reports (Continued)**

#### **Market & Portfolio Update**

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

#### **Chief Benefits Officer Update**

Patrick Lane, PERA Chief Benefits Officer, reviewed the Chief Benefits Officer Update. Mr. Lane responded to questions.

Trina Ruhland left the meeting at 2:36 p.m. and did not return. The Board recessed at 2:45 p.m. and reconvened at 2:50 p.m.



### **Legal Update**

Kevin Gallaway, PERA General Counsel, requested that the Board go into Closed Executive Session. The issues discussed involved pending or imminent litigation and specific legal questions addressed to the General Counsel. The Board went into Closed Executive Session at 2:53 p.m.

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

To address further specific legal questions, the Chief Officers, the Director of Internal Audit, the Manager of the Executive Director's Office left the meeting. At 3:12 p.m. the Trustees, General Counsel and Jennifer Schreck, Senior Staff Attorney, Suzanne Dugan, PERA Fiduciary Counsel, Larry Lee, PERA outside counsel remained in the room and continued the Closed Executive Session. Timothy M. O'Brien left the meeting at 3:29 p.m. and did not return. Scott Smith left the meeting at 3:44 p.m. and did not return.

The Closed Executive Session concluded at 4:06 p.m.

### **2023 Board Meeting Dates**

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

### **Other Business**

With no further business to discuss, Mr. Pennell adjourned the Board Meeting at 4:09 p.m.

Respectfully submitted by,

*Brenda Meidl*

Manager of the Executive Director's Office

A handwritten signature in black ink, appearing to read "Marcus Pennell", is written over a horizontal line.

Marcus Pennell, Chair, Board of Trustees

Approval Date: June 16, 2023