



**Public Employees' Retirement Association  
Board Meeting  
Raymond "Doc" Heath Memorial Boardroom  
1301 Pennsylvania Street  
Denver, CO  
January 20, 2023  
9:00 a.m.**

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

**Staff Present:** Ron Baker, Kevin Gallaway, Jeremy Hill, Patrick Lane, Amy C. McGarrity, Brenda Meidl, Ande Sailer, Sarah Wager

**Others Present:** Katie Comstock (V), Aon; John Lee (V), Aon; Catherine Jackson (V), Mosaic Governance Advisors, LLC  
\*Virtual(V)

Marcus Pennell called the meeting to order at 9:03 a.m.

**Approval of Consent Agenda**

A motion was made Suzanne Kubec and seconded by Timothy M. O'Brien that, "*the Consent Agenda be approved with the following items:*

- *Approval of Agenda*
- *Approval of November 18, 2022, Board Meeting Minutes (Tab A)*
- *Committee Assignments (Tab B)*
- *Resolution for Signature Authorization (Tab C)*
- *Board Service Provider Annual Report (Tab D)*"

The motion was approved.

**Public Comment**

Ryan Christy, member of the public, addressed the Board.

**Other Business**

Ron Baker, PERA Executive Director, provided information about the Board Officer Election, which was not conducted at the November 2022 meeting. Discussion ensued and the Board was in consensus to add this item at the end of this meeting.



## **Committee Reports**

### **Executive Committee**

Suzanne Kubec, Vice Chair, Board of Trustees, reported the Committee met on January 17, 2023, and approved the November 15, 2022, Committee Minutes. The Committee reviewed November 2022, Unaudited Financial Statements, the November 2022 Budget Report, and the 2022 Board Education Compliance Report. Finally, the Committee reviewed the January 20, 2023, Meeting Agenda.

### **Investment Committee**

Rebecca Freyre, Committee Chair, provided information regarding the amendments to the CIF Statement of Investments Policy. Discussion ensued and Amy McGarrity, PERA Chief Investment Officer/Chief Operating Officer, responded to questions.

Ms. Freyre moved that, *“the Investment Committee recommends that the Board of Trustees approve the amended CIF Statement of Investment Policy, which includes the Investment Philosophy, as described, and amended in Tab D2 of the Investment Committee Agenda, dated November 17, 2022.”* The motion was approved, with one dissenting vote by Dave Young.

### **Evaluation Committee**

Pursuant to the Colorado Open Meetings Act, when the issues to be discussed involve performance and compensation of an employee, the employee may request a Closed Executive Session. Ron Baker, PERA Executive Director, requested that the Board go into Closed Executive Session.

The Board and Mr. Baker went into Closed Executive Session at 9:34 a.m. Mr. Baker left the meeting at 9:45 a.m. Dave Young left the meeting at 9:45 a.m. and Eric Rothaus took his place in the meeting. The Closed Executive Session concluded at 10:30 a.m.

Marcus Pennell, PERA Chairman, moved that the Evaluation Committee recommends that, *“the Executive Director be paid a 2022 performance award of 19 percent and the Executive Director’s Annual Base Compensation be adjusted by an increase of 4 percent effective January 1, 2023.”* The motion was approved.

### **Legislative Update**

Ron Baker, PERA Executive Director, and Michael Steppat, PERA Public & Government Affairs Manager, provided an update on introduced legislation that affects PERA. Mr. Baker 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.

Dave Young returned to the meeting at 11:34 a.m. Mr. Rothaus left the meeting and did not return.

### **2023 Significant Events Planning**

Ron Baker, PERA Executive Director and Amy C. McGarrity, PERA Chief Investment Officer/Chief Operating Officer reviewed the 2023 Significant Events Timeline Planning presentation. Discussion ensued and Mr. Baker and Ms. McGarrity responded to questions.

A motion was made Dave Young and seconded by Suzanne Kubec that, *“Northern Trust be retained as the Board’s Custodial Bank.”* The motion was approved.

A motion was made by Timothy M. O’Brien and seconded by Julie Friedemann that, *“Segal be retained as the Board’s Actuarial Consultant.”* The motion was approved.

### **Demographer**

Elizabeth Garner, State Demographer, Colorado Department of Local Affairs, presented information about the population and economic trends in Colorado. Ms. Garner responded to questions.

The Board recessed at 12:50 p.m. and reconvened at 1:30 p.m.

### **Strategic Plan Update**

Amy McDuffee, Founder/CEO, Mosaic Governance Advisors, LLC; and Catherine Jackson, CPA, CA, Mosaic Governance Advisors, LLC, facilitated a discussion regarding the Vision for Success Statements and next steps for the Strategic Plan process. Ms. McDuffee and Mr. Baker responded to questions.

### **Strategic Plan–Employee Engagement**

Jeremy Hill, PERA Chief Administrative Officer, provided a presentation with the results of the 2022 Employee Engagement Survey. Mr. Hill responded to questions.

### **Staff Reports**

#### **Executive Director Report**

Ron Baker, PERA Executive Director, reviewed the Executive Director Report presentation and responded to questions.

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

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

#### **Chief Administrative Officer Update**

Jeremy Hill, PERA Chief Administrative Officer, introduced his leadership team and reviewed the Chief Administrative Officer Update presentation.



### **Legal Update**

Kevin Gallaway, PERA General Counsel, requested that the Board go in to Closed Executive Session. The Board went into Closed Executive Session at 3:45 p.m. The issues discussed 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
- Doris Behr 2012 Irrevocable Trust v. Johnson & Johnson
- Nissan Foreign Litigation• Danske Bank Foreign Litigation
- Jerome Greene v. PERA
- PERA v. Tri-County Health Department, Douglas County, Arapahoe County and Adams County
- Braaten v. Unum and PERA
- Daimler
- Kansai Electric Power Co, Inc.
- Settlements
- C.R.S. § 24-51-205(6)(b) Staff Decisions Reversed by the Executive Director

The Closed Executive Session concluded at 4:19 p.m.

### **Board Officer Election**

Ron Baker, PERA Executive Director, opened the floor for nominations of the Board Chair.

A nomination for Marcus Pennell for Board Chairman was made by Norm Franke and seconded by Dave Young. Mr. Pennell accepted the nomination. With no other nominations, the process was closed; Mr. Pennell was elected Board Chairman by acclamation.

Mr. Pennell opened the floor for nominations of the Board Vice Chair. A nomination for Suzanne Kubec to be the Board Vice Chair was made by Trina Ruhland and seconded by Jennifer Pasquino. Ms. Kubec accepted the nomination. With no other nominations, the process was closed; Ms. Kubec was elected Board Vice Chair by acclamation.

### **Other Business**

With no further business to discuss, Mr. Pennell adjourned the Board Meeting at 4:25 p.m.



**2023 Board Meeting Dates**

- March (23) 24, 2023
- June (15) 16, 2023
- September 20-22, 2023, Planning Session and Board Meeting
- November (16) 17, 2023

Respectfully submitted by,

*Brenda Meidl*

Manager of the Executive Director's Office

A handwritten signature in black ink, reading "Marcus Pennell".

\_\_\_\_\_  
Marcus Pennell, Chairman, Board of Trustees

Approval Date: March 24, 2023