



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

**Cheyenne Mountain Resort  
3225 Broadmoor Valley Road  
Colorado Springs, Colorado  
September 13, 2019  
8:00 a.m.**

**Trustees Present:** Timothy M. O'Brien, Chairman, Marcus Pennell, Vice Chairman, Ramon Alvarado, Thomas Barrett, Julie Friedemann, Rebecca Freyre, Amy Grant, David Hall, Suzanne Kubec, Tina Mueh, Susan Murphy, Bill Parker, Cheryl Patelli, Eric Rothaus (via conference call)

**Trustee Absent:** Guillermo Barriga, Roger Johnson, David Young

**Staff Present:** Ron Baker, Kevin Carpenter, Adam Franklin, Tara May, Amy C. McGarrity, Brenda Meidl, Michael Steppat, Sarah Wager

**Others Present:** Laura Flaum, Terry Campbell, Katie Comstock, Phil Kivarkis, John Lee, Kim Miller, Richard Parker

Timothy M. O'Brien, Chairman, called the meeting to order at 8:03 a.m.

**Approval of Consent Agenda**

A motion was made by Suzanne Kubec and seconded by Rebecca Freyre that, "*the Board of Trustees approve the Consent Agenda as published with the following items:*

- a. *Approval of June 21, 2019, Board Meeting Minutes (Tab A)*
- b. *Divestment From Companies With Prohibitions Against Israel Restricted Company List (Tab B).*"

The motion was approved.

**Public Comment**

There was no public comment.



### **Proclamation—William Bain**

Marcus Pennell, Vice Chairman, read the following Proclamation:

Whereas, The Honorable Will Bain served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from July 2016 through June 2019 and was elected by the members of the Judicial Division; and

Whereas, during his time on the Board, Will served as Chair of the Shareholder Responsibility Committee, and as a member of the Audit, Benefits, Compensation and Budget, Evaluation, Investment, and Stakeholder Relations Committees; and

Whereas, Will demonstrated his dedication and passion for the membership during deliberations of the Board; and

Whereas, Will was a thoughtful listener and contributor and will be remembered for his quiet sense of humor; and

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

Whereas, Will's term on the Board of Trustees of PERA ended in June 2019; now, therefore, be it

Resolved, that with the highest level of appreciation and congratulations, the Board of Trustees of Colorado PERA formally recognize and thank Will Bain for his service to the membership of Colorado PERA during his time as a member of the Board of Trustees, and wish him well as he leaves the PERA Board; and

Resolved, that a copy of this Resolution be placed in the official minutes of the September 13, 2019, PERA Board of Trustees meeting.

A motion was made by Marcus Pennell and seconded by Susan Murphy that, "*the Board approved the foregoing proclamation.*" The motion was approved.

Bill Parker and Thomas Barrett arrived at 8:10 a.m.

### **Active vs. Passive**

Amy C. McGarrity, PERA Chief Investment Officer, introduced Kim Miller, Northern Trust, who was in the audience, Jim Liptak, PERA Director of Equities and Mark Walter, PERA Director of Fixed Income. Mr. Liptak and Mr. Walter reviewed the Active vs. Passive presentation and responded to questions. Discussion ensued and Ms. McGarrity provided additional information and responded to questions.



### **Asset/Liability Study**

Amy C. McGarrity, PERA Chief Investment Officer, introduced John Lee, Aon, Partner, Phil Kivarkis, Aon, U.S. Director of Investment Policy Service, Richard Parker, Aon, Associate Partner, Katie Comstock, Aon, Senior Consultant. The team reviewed a presentation regarding the Asset/Liability Study. The presentation was transmitted to Trustees as Tab E.

The Board recessed at 10:00 a.m. and reconvened at 10:15 a.m.

### **Legislative Update**

Ron Baker, PERA Executive Director and Tara May, PERA Chief Communications Officer, reviewed the Legislative Update presentation, which was transmitted to Trustees as Tab G. Discussion ensued and Mr. Baker and Ms. May responded questions.

### **Rules Hearing**

Kevin Gallaway, PERA Staff Attorney, and Megan Peitzmeier, PERA Senior Staff Attorney, reviewed the proposed rules changes, which was transmitted to Trustees as Tab F.

A motion was made by Suzanne Kubec and seconded by Cheryl Pattelli that, *“the Board approve and adopt the proposed amendments to the PERA Rules, along with the Statement of Basis and Purpose, as distributed to the Board on September 4, 2019, as Tab F with an effective date of January 1, 2020”*.

The motion was approved.

### **Committee Reports**

#### **Executive Committee**

Marcus Pennell, Vice Chairman, Board of Trustees, reported that the Committee met on September 9, 2019. The Committee approved the June 17, 2019, Committee Minutes. The Committee reviewed the May 31, 2019, June 30, 2019, and July 31, 2019, Unaudited Financial Statements and the June 30, 2019, July 31, 2019 and August 31, 2019, Budget Reports. The Committee also reviewed the September 11-13, 2019, Board Planning Session Agendas and Schedules.

### **Staff Reports**

#### **Executive Director Report**

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



### **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 I2.

### **General Counsel Update**

A motion was made by Susan Murphy and seconded by Suzanne Kubic that, *“the Board go in to Closed Executive Session to discuss issues that involve pending or imminent litigation and specific legal questions addressed to General Counsel regarding the following:*

- *Settlements*
- *Colorado PERA and trust funds et al. v. BP. PLC et al.*
- *Volkswagen Foreign Litigation*
- *Petrobras Arbitration*
- *In re Mitsubishi Motors Corporation International Securities Litigation*
- *Novo Nordisk Foreign Litigation*
- *PERA v. Leanna Hausdorfer*
- *PERA v. Joanne Brown*
- *PERA v. The Career Building Academy*
- *Kari Jo Haj-Hussein v. PERA and Unum*
- *USA v. Bang*
- *Doris Behr 2012 Irrevocable Trust v. Johnson & Johnson”*

The motion was approved and the Board went into Closed Executive Session at 11:56 a.m. In addition to the Trustees, the Executive Director and the General Counsel, all the Chief Officers, the Internal Audit Manager, and the Manager of the Executive Director’s Office participated in the Closed Executive Session. The Closed Executive Session concluded at 12:05 p.m.

### **Proposed 2020 Board Meeting Dates**

A motion was made by Susan Murphy and seconded by David Hall that, *“the Board approve the following 2020 Board Meeting dates:*

*January 17, 2020*

*March (19) 20, 2020*

*June (18) 19, 2020*

*September 9-11, 2020 Planning Session*

*November (19) 20, 2020”*

The motion was approved.



Record of Proceedings  
September 13, 2019  
Page 5 of 5

### **Other Business**

Ron Baker, Executive Director, reviewed the proposed redline of the Governance Manual changes. With no further business to discuss, Timothy M. O'Brien, Chairman, Board of Trustees, adjourned the Board meeting at 12:22 p.m.

### **Board Meetings**

November (14) 15, 2019  
January 17, 2020  
March (19) 20, 2020  
June (18) 19, 2020  
September 9-11, 2020 Planning Session  
November (19) 20, 2020

Respectfully submitted by

*Brenda E. Meidl*

Manager of the Executive Director's Office

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Timothy M. O'Brien, Chairman, Board of Trustees

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Ron Baker, Executive Director  
Approval Date: November 15, 2019