



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

**Virtual
September 11, 2020
9:00 a.m.**

The meeting was held remotely by using a teleconferencing service and a livestream service in order to comply with recommendations from the Governor to minimize the size of groups gathering due to the COVID-19 pandemic.

Trustees Present: Timothy M. O'Brien, Chairman, Marcus Pennell, Vice Chairman, Ramon Alvarado, Thomas Barrett, Guillermo Barriga, Rebecca Freyre, Julie Friedemann, Nathan Geroche, Amy Grant, David Hall, Suzanne Kubec, Tina Mueh, Susan Murphy, Cheryl Pattelli, David Young

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

Others Present: Laura Flaum, Aon; Melissa Krumholz, Segal; Thomas Krysa; Foley & Lardner; John Lee, Aon; Brad Ramirez, Segal; Matt Strom, Segal

Timothy M. O'Brien, Chairman, called the planning session to order at 9:00 a.m.

Approval of Consent Agenda Action

A motion was made by Tina Mueh and seconded by Thomas Barrett, "*that the Board approve the Consent Agenda which includes the following items:*

- a. Approval of Agenda*
- b. Approval of June 19, 2020, Board Meeting Minutes (Tab A)*
- c. Anti-BDS Company List (Tab B)*
- d. Committee Assignments (Tab C)"*

The motion was approved.

Public Comment Information

Ryan Christy, PERA Inactive Member, provided public comment to the Board regarding his idea of organizing a fundraising bike ride event with the proceeds going to the School Division Trust Fund. He also advocated for the School Division members to have the option to elect the Defined Contribution Plan.



Proclamation—William N. Parker

Marcus Pennell, Vice Chairman, Board of Trustees, read the following Proclamation Concerning William N. Parker:

Whereas, William N. Parker served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from July 2016 through June 2020 and was elected by the members of the School Division; and

Whereas, during his time on the Board, Bill served as a member of the Audit, Benefits, Compensation and Budget, Investment, and Stakeholder Relations Committees; and

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

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

Whereas, Bill will be remembered for his desire to focus on Board Governance and for his focus on costs and fees for all PERA plans; and

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

Whereas, Bill's term on the PERA Board of Trustees ended in June 2020; now, therefore, be it

Resolved, that with the highest level of appreciation and congratulations, the PERA Board of Trustees formally recognizes and thanks William N. Parker for his service to the PERA membership during his time as a Trustee, and wish 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 September 11, 2020, PERA Board of Trustees meeting.

A motion was made by Rebecca Freyre and seconded by David Young that, "*the Board approve the foregoing Proclamation.*" The motion was approved.

Committee Reports **Executive Committee**

Marcus Pennell, Vice Chairman, Board of Trustees, reported that the Committee met on September 8, 2020 and approved the June 9, 2020, Committee Minutes. The Committee reviewed the May 31, 2020, June 30, 2020, and July 31, 2020, Unaudited Financial Statements and the June 30, 2020 and July 31, 2020, Budget Reports. They also reviewed the September 10-11, 2020, Board Planning Session Schedule and Agenda.



Committee Reports (Continued)

Benefits Committee

Suzanne Kubec, Chair, Benefits Committee, provided information regarding the amendments included in the BC Tab. The plan document amendments were created from Tabs B1 and B2 of the Benefits Committee materials dated March 19, 2020, and Tabs B2 and B3 of the Benefits Committee materials dated June 18, 2020.

Ms. Kubec moved that the Benefits Committee recommends that, *“the Board adopt the plan document amendments in the BC Tab to PERA’s 401(k) and Defined Contribution Plan and Trust document and to The PERA Deferred Compensation Plan.”* The motion was approved.

Investment Committee

Rebecca Freyre, Investment Committee Member, reported that the Committee met on September 10, 2020, and received information regarding Environmental, Social and Governance (ESG) investing. The Committee heard from Fiduciary Counsel regarding the consideration of ESG factors in the investment process. The Committee also evaluated potential enhancements to its Proxy Voting Policy.

Interest on Member Accounts Policy Review

Ron Baker, PERA Executive Director, provided a presentation regarding the proposed Policy for setting the Interest on Member Accounts. The Policy and presentation were transmitted to Trustees as Tab G1 and G2.

A motion was made by Suzanne Kubec and seconded by Susan Murphy that stated, *“the Board of Trustees adopt the amended Policy for setting the PERA Member Contribution Interest Rate, as transmitted to the Board as Tab G1, effective September 11, 2020.”* The motion was approved.

Rules Hearing

Kevin Gallaway, PERA Senior Staff Attorney, provided information regarding the proposed changes to the PERA Rules, which were transmitted to Trustee as Tab E. Mr. Gallaway responded to questions.

A motion was made by Ramon Alvarado and seconded by Tina Mueh that stated, *“the Board adopt the proposed amendments to the PERA Rules, along with the Statement of Basis and Purpose, as distributed to the Board as Tab E with an effective date of January 1, 2021.”* The motion was approved.



PERA Governance Review

Adam L. Franklin, PERA General Counsel, introduced Tom Iannucci, President, Cortex Applied Research. Mr. Iannucci provided a presentation on the 2020 Governance Benchmarking Study that Cortex conducted. The Benchmarking Study Report and the presentation were transmitted to the Board as Tab F1 and F2.

The Board recessed at 10:45 a.m. and reconvened at 11:00 a.m.

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 I. Ms. McGarrity responded to questions.

Benefits Update

Patrick Lane, PERA Chief Benefits Officer, reviewed the Benefits Update presentation, which was transmitted to Trustees as Tab J. Mr. Lane responded to questions.

General Counsel Update

Adam L. Franklin, PERA General Counsel, provided information regarding the conclusion of the IRS payroll audit.

A motion was made by David Young and seconded by Tina Mueh that, "*the Board go in to Closed Executive Session.*" The motion was approved and the Board went into Closed Executive Session at 12:09 p.m. The issues discussed involved 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
- Nissan Foreign Litigation
- Danske Bank Foreign Litigation
- PERA v. PERA LLC
- PERA v. The Career Building Academy
- USA v. Bang
- Doris Behr 2012 Irrevocable Trust v. Johnson & Johnson

The Closed Executive Session concluded at 12:27 p.m.



Proposed 2021 Board Meeting Dates

A motion was made by David Young and seconded by Tina Mueh that, *“the following 2021 Board Meeting Dates be approved:*

- January 15, 2021
- March (18) 19, 2021
- June (17) 18, 2021
- September 15-17, 2021 Planning Session
- November (18) 19, 2021”

The motion was approved.

Other Business

With no further business to discuss, Timothy M. O’Brien, Chairman, Board of Trustees, adjourned the Planning Session at 12:35 p.m.

Board Meetings

November (19) 20

Respectfully submitted by

Brenda E. Meidl

Manager of the Executive Director’s Office

/s/

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

Ron Baker, Executive Director

Approval Date: November 20, 2020