



**Public Employees' Retirement Association
Board Meeting**

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

**June 16, 2023
9:00 a.m.**

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

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

Others Present: Katie Comstock, Aon, Melissa Krumholz, Segal Consulting, John Lee, Aon, Brad Ramirez, Segal Consulting, Matt Strom, Segal Consulting

*Virtual = (V)

Marcus Pennell, Chair, Board of Trustees, called the meeting to order at 9:00 a.m.

Approval of Consent Agenda

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

- *Agenda*
- *March 24, 2023, Board Meeting Minutes.*
- *Divestment from Companies with Prohibitions Against Israel Report."*

The motion was approved.

Public Comment

There was no public comment.



Committee Reports

Executive Committee

Suzanne Kubec, Vice Chair, Board of Trustees, reported the Committee met on June 14, 2023, and approved the March 23, 2023, Committee Minutes. The Committee reviewed the April 2023, Unaudited Financial Statement and Budget Report. Finally, the Committee reviewed the June 15-16, 2023, Meeting Schedule and Board Meeting Agenda.

Ad Hoc Committee – Executive Director Search

Taylor McLemore, Committee Chair, reported the Committee met the previous day. The Committee discussed the Executive Director search process and approved the proposed RFI.

Benefits Committee

Julie Friedemann, Committee Chair, reported the Committee met the previous day and received an update regarding the Capital Accumulation Plans, the Secure 2.0 Act, and PERACare. The Committee also received information regarding the Customer Service Division team members.

Compensation and Budget Committee

Amy Grant, Committee Chair, reported the Committee met the previous day and received information regarding the 2024 Budget process and an overview of the Mercer Compensation Study.

Investment Committee

Rebecca Freyre, Committee Chair, provided information regarding the amendments the Committee approved at their meeting on March 23, 2023.

A motion was made by Rebecca Freyre 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 B2 of the Investment Committee Agenda, dated March 23, 2023.”* The motion was approved.

Ms. Freyre reported the Committee met the previous day and reviewed the Capital Accumulation Plan first quarter performance, received an educational session about Performance Measurement, and an overview of the Fixed Income Asset Class.

2023 Board Election

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

A motion was made by Taylor McLemore and seconded by Scott Smith that, *“the Board of Trustees Election Results, as set forth in the report dated June 9, 2023, be affirmed and that Timothy M. O’Brien be elected to a four-year Board term from the Retiree Division beginning July 1, 2023.”* The motion was approved.

A motion was made by Rebecca Freyre and seconded by Suzanne Kubec that, *“the Board of Trustees Election Results, as set forth in the report dated June 9, 2023, be affirmed and that Trina Ruhland be elected to a four-year Board term from the Local Government Division beginning July 1, 2023.”* The motion was approved.

A motion was made by Julie Friedemann and seconded by Ramon Alvarado that, *“the Board of Trustees Election Results, as set forth in the report dated June 9, 2023, be affirmed and that Eunice Botchway be elected to a two-year Board term from the School Division beginning July 1, 2023.”* The motion was approved.

Investment Performance Report

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer, introduced John Lee, Aon, Partner, and Katie Comstock, Aon, Associate Partner. Mr. Lee and Ms. Comstock provided a presentation on PERA’s performance through 2022, as well as the first quarter of 2023. The team responded to Trustees’ questions.

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

Actuarial Valuation

Segal Consulting: Brad Ramirez, Vice President & Actuary, Matt Strom, Senior Vice President & Actuary and Melissa Krumholz, Vice President and Health Actuary provided a presentation of the Actuarial Valuation report.

Timothy M. O’Brien arrived at 10:30 a.m. during the foregoing agenda item.

Committee Reports (Continued)

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 had their annual meeting with PERA Independent Auditor and Deputy State Auditor. 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 conducted the annual review of outside independent Audit Committee members and retained current members Tamara Lowrie and Mary-Margaret Henke.

Release of 2022 Annual Comprehensive Financial Report (ACFR)

Timothy M. O'Brien, Committee Chairman, moved that the Audit Committee recommends that, *"the Board authorize the release of the 2022 Annual Comprehensive Financial Report."* The motion was approved.

Legislative Update

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer, and Michael Steppat, PERA Public & Government Affairs Manager, reviewed the 2023 legislation that affected PERA. Ms. McGarrity and Mr. Steppat responded to questions.

The Board recessed at 11:55 a.m. and reconvened at 1:00 p.m.

Strategic Plan Update

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer, and Amy McDuffee, Founder/CEO, Mosaic Governance Advisors, LLC, reviewed the Strategic Plan Update presentation and provided a recommendation for the Board's consideration.

A motion was made by Timothy M. O'Brien and seconded by Suzanne Kubec that, *"The Board extend the date of the Strategic Plan by one year."* The motion was approved.

Senate Bill 200 History Information

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer; Koren Holden, PERA Senior Actuary; and Michael Steppat, PERA Public & Government Affairs Manager, reviewed the presentation of the Senate Bill 200 history. The team responded to questions.

The Board recessed at 2:49 p.m. and reconvened at 3:05 p.m.

Staff Reports

Executive Director Report

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

Market & Portfolio Update

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

Scott Smith left the meeting at 3:00 p.m. and did not return.



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 3:01 p.m.

The issues discussed involved pending or imminent litigation and specific legal questions regarding issues relevant to PERA addressed to General Counsel, including the following matters:

- 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
- Daimler
- Settlements
- C.R.S. § 24-51-205(6)(b) Staff Decisions Reversed by the Executive Director

In addition to the Trustees, the General Counsel, the Chief Officers, the Director of Internal Audit, and Senior Staff Attorney participated in the Closed Executive Session. The Closed Executive Session concluded at 3:46 p.m.

2023 Board Planning Session Topics

Suzanne Kubec, Vice Chair, Board of Trustees, reminded Trustees to send the Chair any additional topics they would like added to the planning session.

2023 Board Meeting Dates

- 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 3:55 p.m.

Respectfully submitted by,

Brenda Meidl

Manager of the Executive Director's Office

A handwritten signature in black ink that reads "Marcus Pennell".

Marcus Pennell, Chair, Board of Trustees
Approval Date: September 22, 2023