



## Meeting Minutes

### Colorado Public Employee's Retirement Association Board

Raymond "Doc" Heath Memorial Boardroom  
1301 Pennsylvania Street  
Denver, Colorado

**January 19, 2024**  
**8:30 a.m.**

- Trustees Present:** Marcus Pennell, Chair, Suzanne Kubec, Vice Chair, Eunice Botchway, Norm Franke (V), Rebecca Freyre, Julie Friedemann, Nate Geroche, Amy Grant, Taylor McLemore, Timothy M. O'Brien, Jennifer Pasquino (V), Trina Ruhland, Tracy Rushing, Scott Smith, Dave Young
- Staff Present:** Matthew Carroll, Kevin Gallaway, Jeremy Hill, Koren Holden, Patrick Lane, Amy C. McGarrity, Brenda Meidl, Megan Peitzmeier, Ian Rowe, Ande Sailer, Michael Steppat, Sarah Wager, TJ VandenBurg, Patrick von Keyserling
- Others Present:** Katie Comstock, Partner, Aon; Suzanne Dugan, PERA Fiduciary Counsel; Phil Kivarkis, Aon, Partner-Head of Investment Policy Services; Mosaic Governance Advisors, LLC, Founder/CEO; Brad Ramirez, Vice President & Actuary, Segal Consulting; Matt Strom, Senior Vice President and Actuary, Segal Consulting; Ashley Smith, PERA Member  
\*(V)Virtual

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 Rebecca Freyre that, *"the Consent Agenda be approved with the following items:*

- a. Agenda
- b. November 17, 2023, Board Meeting Minutes
- c. Resolution for Signature Authorization (Tab B)
- d. Board Service Provider Annual Report (Tab C)
- e. Board Education Compliance Memorandum (Tab D)."

The motion passed.

#### Public Comment

The following made public comment:

Karl Fisch, PERA Member, regarding the Asset/Liability and rate of return.

The following made comments regarding third party contractors and the Executive Director position: Mike Claudio, Ed.D. Assistant Superintendent, Personnel Support Services, Harrison School District; Nikki Schmidt, Chief Financial Officer, Weld RE-4 School District; Scott Nielsen, Superintendent, Johnstown-Milliken School District; Jeff Durbin, Superintendent, Peetz Plateau School District; Bret Miles, Executive Director, CASE; Melissa Gibson, Deputy Executive Director, CASE.

### **Appointment of Ashley M. Smith**

Marcus Pennell, Chair, Board of Trustees, provided information about the appointment for the state seat that will be vacated by Suzanne Kubec upon her retirement at the end of January 2024. Ashley Smith had been the runner up in the most recent state seat election in 2022 and it is appropriate to appoint Ms. Smith to the trustee seat vacated by Ms. Kubec, until June 30, 2025. Ms. Kubec's term was expiring in 2025, so at that time, PERA will run an election for that 4-yr state seat. A motion was made by Timothy M. O'Brien and seconded by Suzanne Kubec that, *"pursuant to C.R.S. 24-51-203, Ashley M. Smith be appointed to serve as a Trustee in the State Division until the next election of the Trustees. Ms. Smith's term will begin at the next regular Committee/Board meetings after January 31, 2024."*

The motion passed.

### **Board Officer Election**

Marcus Pennell, Chair, Board of Trustees, opened the floor for nominations for Vice Chair due to the retirement of Suzanne Kubec.

A nomination of Taylor McLemore for Board Vice Chair was made by Rebecca Freyre and seconded by Suzanne Kubec. Mr. McLemore accepted the nomination. With no other nominations, the process was closed.

A motion was made by Timothy M. O'Brien and seconded by Dave Young that, *"Taylor McLemore be elected Board Vice Chair."* The motion passed.

### **Committee Assignments**

A motion was made by Rebecca Freyre and seconded by Suzanne Kubec that, *"the Board of Trustees approve the Standing Committee Assignments as posted in Tab E of the Board meeting materials."* The motion passed.

### **Committee Reports**

#### **Executive Committee**

Suzanne Kubec, Vice Chair, Board of Trustees, reported that the Executive Committee met on January 16, 2024, and approved the November 14, 2023, Committee Minutes. The Committee reviewed the November 2023, Unaudited Financial Statement and Budget Report. Finally, the Committee reviewed the January 19, 2024, Board Meeting Agenda.

#### **Ad Hoc Committee - Executive Director Search**

Taylor McLemore, Committee Chair, reported that the Ad Hoc Committee met on January 10, 2024, and received a status update regarding the Executive Director Search.

#### **Audit Committee**

Timothy M. O'Brien, Chairman, Audit Committee, reported that the Audit Committee met on December 8, 2024. The Committee hired Chris Waddell, Senior Counsel, Olson Remcho, LLP, to investigate a complaint that was brought to the Board at the November meeting.

### **Governance Committee**

Marcus Pennell, Chair, Governance Committee, reported that the Governance Committee met the previous day. The Committee reviewed several charters and the tool to evaluate the Executive Director.

A motion was made by Mr. Pennell that, *“the Board, as recommended by the Governance Committee, authorize staff to make non-substantive changes to the Governance Manual as necessary. Staff will provide the Board with a copy of the redlined changes when made.”*

The motion passed.

### **Investment Committee**

Rebecca Freyre, Chair, Investment Committee, made the following motions:

Ms. Freyre moved that Investment Committee recommends that, *“the Board of Trustees approve the amended CAP Statement of Investment Policy, as published in Tab D1 of the Investment Committee Agenda, dated November 16, 2023. Going forward staff is authorized to update items for which they have discretion (e.g., PERAdvantage benchmarks) outside the biennial review process.”* The motion passed.

Ms. Freyre moved that the Investment Committee recommends that, *“the Board of Trustees approve the amended Securities Litigation Policy, as published in Tab E1 of the Investment Committee Agenda, dated November 16, 2023.”* The motion passed.

Ms. Freyre moved that the Investment Committee recommends that, *“the Board of Trustees remove from its policies/restrictions the investment approval process for Alternatives strategies that include short selling, last approved June 2017.”* The motion passed.

### **Funding Policy and OPEB Funding Policy Update**

Koren Holden, PERA Senior Actuary; Brad Ramirez, Segal Consulting, Vice President & Actuary; Matt Strom, Segal Consulting, Senior Vice President & Actuary; reviewed the actuarial funding policy documents, actuarial concepts, and actuarial topics regarding both the Pension and OPEB Funding Policies.

The Board recessed at 9:30 a.m. and reconvened at 9:48 a.m.

Ms. Holden, Mr. Ramirez, and Mr. Strom, continued with the update and responded to questions.

A motion was made by Dave Young and seconded by Suzanne Kubec that, *“the Board adopt the amendments to the OPEB Funding Policy and Pension Funding Policy as provided as Tabs F1 and F2.”* The motion passed.

### **Significant Events Timeline Planning**

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer; Sarah Wager, PERA Director of Internal Audit; reviewed the Significant Events Timeline Planning presentation. Ms. McGarrity and Ms. Wager responded to questions.

A motion was made by Dave Young and seconded by Suzanne Kubec that, *“the PERA Board Select SBS to continue as the Board’s Election Services Provider, beginning with the 2025 election cycle.”* The motion passed.

### **Demographer**

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

The Board recessed at 12:25 p.m. and reconvened at 1:20 p.m.

### **Legislative Update**

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer; Michael Steppat, PERA Public and Government Affairs Manager; provided a legislative update. Mr. Steppat and Ms. McGarrity responded to questions.

A motion was made by Scott Smith and seconded by Dave Young that, *“the Board take an amend position on House Bill 24-1044.”* The motion passed.

### **PERA Membership Review**

Patrick Lane, PERA Chief Benefits Officer; Kevin Gallaway, PERA General Counsel; Matthew Carroll, PERA Senior Director of Benefits Services; and Megan Peitzmeier, PERA Senior Attorney; presented the PERA Membership Review. The team responded to questions.

The Board recessed at 3:20 p.m. and reconvened at 3:35 p.m.

### **Asset/Liability Study**

Katie Comstock, Aon, Partner; Phil Kivarkis, Aon, Partner-Head of Investment Policy Services; and Richard Paker, Aon, Partner; provided an update on the Asset/Liability Study. Ms. Comstock, Mr. Kivarkis and Mr. Parker responded to questions.

The Board recessed at 4:24 p.m. and reconvened at 4:30 p.m.

### **Staff Reports**

#### **Executive Director Report**

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

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

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

### **Chief Administrative Officer Update**

Jeremy Hill, PERA Chief Administrative Officer, presented the Chief Administrative Officer Update and responded to questions.

### **Legal Update**

Kevin Gallaway, PERA General Counsel, requested that the Board go into Closed Executive Session. 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 pursuant to C.R.S. § 24-6-402(3)(a)(II). The issues to be discussed involve pending or imminent litigation and specific legal questions regarding issues relevant to PERA addressed to General Counsel.

The Board went into Closed Executive Session at 5:22 p.m. In addition to the Trustees, the Interim Executive Director/Chief Investment Officer, the General Counsel, all Chief Officers, the Director of Internal Audit; the Manager of the Executive Director's Office; and Suzanne Dugan, PERA Fiduciary Counsel; participated in the Closed Executive Session. The Closed Executive Session concluded at 5:33 p.m.

### **2024 Board Meeting Dates**

February 26, 2024

February 29, 2024

March (14)15, 2024

June (20) 21, 2024

September 18-20, 2024, Planning Session and Board Meeting

November (14)15, 2024

### **Other Business**

With no further business to discuss, Marcus Pennell, Chair, Board of Trustees, adjourned the meeting at 5:38 p.m.

Respectfully submitted by,

*Brenda Meidl*

Manager of the Executive Director's Office

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Marcus Pennell, Chair, Board of Trustees