



## Minutes

### Colorado PERA Board of Trustees Board Meeting

Virtual

**Friday, March 15, 2024**  
**8:30 a.m. MT**

**Trustees Present:** Marcus Pennell, Chair, Taylor McLemore, Vice Chair, Eunice Botchway, Rebecca Freyre, Norm Franke, Julie Friedemann, Nate Geroche, Amy Grant, Timothy M. O'Brien, Jennifer Pasquino, Trina Ruhland, Tracy Rushing, Ashley Smith, Scott Smith, Dave Young

**Others Present:** John Carreon, Katie Comstock, Suzanne Dugan, Kevin Gallaway, Rebecca Harren, Amanda Hill, Jeremy Hill, Koren Holden, Phil Kivarkis, Patrick Lane, Larry Lee, Amy C. McGarrity, Brenda Meidl, Pat Mauser, Richard Parker, Brad Ramirez, Ian Rowe, Ande Sailer, Matthew Strom, Daniel Van Breene, Sarah Wager, Amy McDuffee, Catherine Jackson

Marcus Pennell, Chair, Board of Trustees, called to order at 8:30 a.m.

#### Approval of Consent Agenda

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

- a. *Agenda*
- b. *February 29, 2024, Special Board Meeting Minutes (Tab A).*"

#### Public Comment

Karl Fisch, PERA Retiree, provided public comment about the formatting of the HAS tables on PERA's website and in brochures.

#### Executive Director Candidate Discussion

The Board voted to go into Closed Executive Session at 8:42 a.m. for the following reasons:

- (i) pursuant to C.R.S. § 24-6-402(3)(b)(I), to consider the employment of the Finalist for the position of Executive Director, as to which the Finalist for the Executive Director position has requested a closed executive session,
- (ii) pursuant to C.R.S. § 24-6-402(3)(a)(V) to determine positions relative to matters subject to negotiations and instructing negotiators regarding the employment of the Finalist, and
- (iii) pursuant to C.R.S. § 24-6-402(3)(a)(II) for the purpose of receiving legal advice on specific legal questions addressed to legal counsel regarding terms of employment of the Finalist.

In addition to the Trustees, Larry Lee, Suzanne Dugan, and Kevin Gallaway participated in the Closed Executive Session. The Closed Executive Session concluded at 9:30 a.m.

A motion was made by Taylor McLemore and seconded by Rebecca Freyre that, *“the Board appoint Andrew Roth as the Executive Director and that the Board authorize the Board Chair to negotiate and execute an employment agreement on behalf of the Association.”* The motion was approved.

Mr. Pennell extended congratulations to Andrew Roth, who was introduced. Mr. Roth addressed the Board, expressing his anticipation and enthusiasm for his future role with Colorado PERA.

### **Trustee Suzanne Kubec Proclamation**

Marcus Pennell, Chair, Board of Trustees, read the following resolution regarding former Trustee Suzanne Kubec:

Whereas, Suzanne E. Kubec served as a Trustee on the Board of the Public Employees' Retirement Association of Colorado (PERA) from March 2017 through January 2024; and

Whereas, Suzanne was first elected in 2017 by State Division members; and

Whereas, Suzanne served as Vice Chair of the Board from June 2021 to January 2024; and

Whereas, during her time on the PERA Board, Suzanne served as a member of the, Benefits, Compensation and Budget, Evaluation, Executive, and Stakeholder Relations Committees and served as Chair of the Benefits Committee and Vice Chair of the Evaluation and Executive Committees; and

Whereas, Suzanne was the administrator of the State of Colorado's 457 Deferred Compensation Plan prior to PERA taking over administration of the Plan and selflessly advocated for the change to benefit its members; and

Whereas, Suzanne demonstrated her expertise, dedication, and passion for the membership during deliberations of the PERA Board; and

Whereas, Suzanne will be remembered for her knowledge and expertise in public employee benefits and retirement plans; and

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

Whereas, Suzanne's term on the PERA Board of Trustees ended in January 2024; now, therefore, be it

Resolved, that with the highest level of appreciation and congratulations, the PERA Board of Trustees formally recognizes and thanks Suzanne E. Kubec for her time and service to the PERA membership, and wishes her well as she leaves the PERA Board; and

Resolved, that a copy of this Resolution be placed in the official minutes of the March 15, 2024, PERA Board of Trustees meeting.

A motion was made by Dave Young and seconded by Timothy M. O'Brien that, *“the foregoing Resolution be placed in the official minutes of this meeting.”* The motion passed unanimously.

## **Committee Reports**

### **Executive Committee**

Taylor McLemore, Vice Chair, reported the Executive Committee met on March 6, 2024, and approved the January 16, 2024, Committee Minutes. In addition, the Committee approved a Trustee's Board Education Policy Waiver. The Committee reviewed the January 2024, Unaudited Financial Statement and Budget Report. Finally, the Committee reviewed the March 14-15, 2024, Meeting Schedule, and Board Meeting Agenda.

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

Taylor McLemore, Chair, Ad Hoc Committee, reported that the Committee met on February 8, 13, and 14, 2024, to conduct interviews with the candidates, successfully fulfilling their mandate in the search for the Executive Director.

### **Audit Committee**

Timothy M. O'Brien, Chair, Audit Committee, reported the Committee met the previous day. The Committee received the Colorado PERA 2023 Financial Update from the external auditor, CliftonLarsonAllen LLP. In addition, the Committee received an update regarding the *Annual Comprehensive Financial Report (ACFR)* and the Internal Audit Activity.

### **Benefits Committee**

Julie Friedemann, Chair, Benefits Committee, reported the Committee met the previous day and received an overview of the disability program. In addition, the Committee received a Capital Accumulation Plans (CAP) update and a presentation regarding the 2023 Benefits Department review.

### **Compensation & Budget Committee**

Amy Grant, Chair, Compensation & Budget Committee, reported that the Committee met the previous day and received information regarding the updated Charter for the Compensation & Budget Committee.

### **Governance Committee**

Marcus Pennell, Chair, Board of Trustees, reported that the Committee met the previous day. The Committee received information about the proposed changes to the Charter for the Executive Committee and Charter for the Executive Director. In addition, the Committee reviewed changes to the Charter for the Compensation & Budget Committee and the Executive Director Performance Evaluation Tool for the Board's consideration at the June meeting. Finally, the Committee reviewed the Board Performance Evaluation.

Mr. Pennell moved that the Board of Trustees approve the recommendation from the Governance Committee to, *"the Board of Trustees approves the recommendation of the Governance Committee to revise the Charter for the Executive Director as proposed."* The motion was approved.

Mr. Pennell moved that the Board of Trustees approve the recommendation from the Governance Committee, *"the Board of Trustees approves the recommendation of the Governance Committee to revise the Charter for the Executive Committee as proposed."* The motion was approved.

Mr. Pennell moved that the Board of Trustees approve the recommendation from the Governance Committee, *"to adjust the Chief Investment Officer/Chief Operating Officer's Annual Compensation by an increase of three percent effective January 1, 2024."* The motion was approved.

### **Investment Committee**

Rebecca Freyre, Chair, Investment Committee, reported the Committee met the previous day. The Committee received a presentation on PERA's compliance with the Statement of Investment Policy, and the Proxy Voting Summary and Report. The Committee reviewed the Proxy Voting Policy and will conduct a special meeting prior to the scheduled meeting in June to review further. In addition, the Committee received an update on the 4th quarter 2023 CAP performance. Finally, the Committee received an educational session focusing on the Alternatives asset class.

The Board recessed at 10:40 a.m. and reconvened at 10:55 a.m.

### **2024 Board Election**

Sarah Wager, PERA Director of Internal Audit, provided information regarding the 2024 Board Election and candidates.

#### **Denver Public School (DPS) Division Seat**

A motion was made by Julie Friedemann and seconded by Taylor McLemore that, *"the Board approves the appointment of Amy Grant to the DPS Division Trustee position on the Board of Trustees for a four-year term beginning July 1, 2024, as she is the sole candidate duly nominated and eligible to be elected to the position. Further, I move that the Board direct staff not to go forward with the election for the DPS Division position."*

The motion was approved.

#### **School Division Seat**

A motion was made by Rebecca Freyre and seconded by Scott Smith that, *"the Board direct staff to conduct an election for one, four-year seat in the School Division to be elected by the members of that division and to include in that election the following slate of candidates: Drew Adams, Angela Kingston Connelly, Dr. Louis L. Fletcher, Nathan Geroche, Zoe Tessier, and Craig Wittgrove."*

The motion was approved.

#### **State Division Seat – Non-Higher Education, 4-year seat**

A motion was made by Ashley Smith and seconded by Dave Young that, *"the Board direct staff to conduct an election for one, non-higher education 4-year seat in the State Division to be elected by the members of that division and to include in that election the following slate of candidates: Tracy Marie Rushing, Scott Simon, John Spearing, and Tim Wonhof."*

The motion was approved.

#### **State Division Seat – Higher Education, 2-year seat**

A motion was made by Trina Ruhland and seconded by Rebecca Freyre that, *"the Board direct staff to conduct an election for one, higher education two-year seat in the State Division to be elected by the members of that division and to include in that election the following slate of candidates: Lisa Landis and Jennifer Victor."*

The motion was approved.

### **Legislative Update**

Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer and Michael Steppat, PERA Public and Government Affairs Manager, reviewed the Legislative Update presentation and responded to questions.

### **Cyber Security Update**

The Board voted to go in to Closed Session at 11:45 a.m. It was appropriate for the Board to go into a Closed Executive Session pursuant to Colorado Revised Statute § 24-6-402(3)(a)(IV) for the purpose of discussing details of security arrangements concerning PERA.

In addition to the Trustees, the Presenters, the Chief Officers, the General Counsel, Fiduciary Counsel, the Director of Internal Audit, IT Audit Manager, Assistant Director of Information Technology, Communications Multimedia Specialist, Communications Specialist-Publications II, and the Manager of the Executive Director's Office participated in the Closed Executive Session. The Closed Executive Session concluded at 12:27 p.m.

The Board recessed at 12:28 p.m. and reconvened at 1:30 p.m.

### **Asset/Liability Study**

Phil Kivarkis, Aon, Partner-Head of Investment Policy Services and Richard Parker, Aon, Partner, provided an update on the Asset/Liability Study. Mr. Kivarkis and Mr. Parker responded to questions. Additionally, Amy C. McGarrity, PERA Interim Executive Director/Chief Investment Officer, and Matthew Strom, Segal, Senior Vice President and Actuary, responded to questions.

The Board recessed at 2:45 p.m. and reconvened at 3:00 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 presentation.

#### **Chief Benefits Officer Update**

Patrick Lane, PERA Chief Benefits Officer, reviewed the Chief Benefits Officer Update presentation.

### **Legal Update**

Kevin Gallaway, PERA General Counsel, requested that the Board go into Closed Executive Session. The Board voted to go into Closed Executive Session at 4:05 p.m. It was appropriate to go into Closed Executive Session pursuant to C.R.S. § 24-6-402(3)(a)(II) involving conferences with legal counsel regarding: specific legal questions involving pending or imminent litigation, the membership of employees of third-party employment providers, and the professional conduct review of a PERA Trustee



In addition to the Trustees, the General Counsel, Fiduciary Counsel, the Director of Internal Audit and the Manager of the Executive Director's Office participated in the Closed Executive Session. At 4:31 p.m. Taylor McLemore led the meeting as the Chair in place of the Marcus Pennell. The Manager of the Executive Director's Office and Scott Smith, Trustee, left the Closed Executive Session at 4:35 p.m. The Closed Executive Session concluded at 6:06 p.m. Trustee Smith and staff returned to the meeting.

### **Dates of Next Meetings**

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, the meeting adjourned at 6:08 p.m.

Respectfully submitted by,

*Brenda Meidl*

Manager of the Executive Director's Office