

Minutes of the DERP Retirement Board

April 17, 2026 - Meeting #874

Meeting #874 of the DERP Retirement Board was held at the Grant-Humphreys Mansion and via video and audio conferencing. DERP Retirement Board members present were Chair George Delaney, Vice-Chair John Dominguez, Diane Barrett (v), and Carole Buyers. DERP Advisory Committee members present were Heather Britton (v), Maro Casparian, and Roberta Monaco (v). DERP staff present were Heather Darlington, Executive Director; Randall Baum, Chief Investment Officer; Veronica Kirchhevel, Deputy Executive Director/Membership and Technology Director; James E. Thompson III, General Counsel; Julie Vlier, Marketing and Communications Director; Pamela Watson, Deputy Chief Investment Officer; and Terri Campbell, Office Administrator. Guests in attendance were Anne Harper and Tim Hall with Cheiron, and Rose Dean (v) and Will DuPree (v) with NEPC.
(v) Denotes attended virtually.

Call to Order and Roll Call

The meeting was called to order by George Delaney at 9:00 a.m. Danielle Sexton and Chris Miller were unable to attend.

Approval of Minutes

Minutes of meeting #873 were approved by a unanimous vote of the Retirement Board members.

Preliminary Actuarial Valuation

Anne Harper began Cheiron's presentation of the 2026 preliminary actuarial valuation results. She shared that DERP's unfunded actuarial liability (UAL) decreased by \$70M and the actuarially determined contribution (ADC) rate increased 1.67% primarily due to a decline in projected payroll for 2026.

Ms. Harper reviewed the plan's financial condition and explained the step-by-step process of preparing DERP's actuarial valuation. She noted that DERP's overall actuarial liability is \$4.61B, the market value of assets (MVA) is \$2.99B, and the actuarial value of assets (AVA) is \$2.93B. She noted that the normal cost for 2026 is \$77.84M, while the UAL amortization payment is \$165.74M, including principal and interest.

Tim Hall then reviewed 2025 performance and historic trends to understand DERP's current valuation. He noted that the estimated payroll for 2026 of \$907M is 7.6% less than the

expected payroll of 2025. Over the past four years, the funded ratio has increased and the UAL has decreased, indicating the funding policy is working.

Mr. Hall shared projections for the future. The ADC rate is expected to increase slightly in 2027 due to deferred losses from 2022. Thereafter, it is expected to slightly decrease each year and significantly drop after 2038, when the existing unfunded liability from 2019 has been fully amortized. James Thompson asked Cheiron how their clients prepare when approaching a substantial projected drop in the ADC rate. Ms. Harper replied that clients take different approaches, including adjusting their funding policy to smooth the projected ADC decline and lowering the discount rate. Mr. Delaney asked when DERP should consider adjusting its funding policy to prepare for 2038. Mr. Hall suggested a review of the funding policy in 2032. Heather Darlington described her discussions with the City on how funded status affects the plan, including how it relates to tier inequity.

Mr. Delaney asked for timing of conversations and decisions related to the preliminary actuarial valuation for 2026, given that it is already April. Ms. Darlington indicated conversations with the City are ongoing for the current year and planning for 2027.

Randy Baum shared the results of an NCPERS survey of other plans regarding average funded ratios, average contributions, and rates of return.

John Dominguez asked about the possibility of apportioning assets on an alternative path for growth versus liquidity. Rose Dean stated NEPC has clients who allocate assets in such a way, but they are generally better funded and have different goals.

Executive Director's Report

Ms. Darlington shared that Roni Kirchhevel has been working closely with Lockton on the Medicare request for proposals and a decision is expected by the end of the month.

She announced that there will be one Advisory Committee position open in July. Nine active and retired employees have submitted their intentions to run for election. The election closes on May 8. Results will be shared at the May Retirement Board meeting, and the new term will start July 1.

Ms. Darlington announced that the Career Service Board reappointed Heather Britton to a new three-year term on the Advisory Committee.

Mr. Delaney made a request for approval to attend the IFEBP Trustee Institute in San Diego, California. The Retirement Board voted unanimously to approve Mr. Delaney's request.



Marketing and Communications Update

Julie Vlier presented an update on activities from the Marketing and Communications department over the past year. She identified the ongoing goals of strengthening DERP's relationships and reputation with members. Highlights included rebranding 101 member letters, aligning forms to letters, and launching a beneficiary campaign. Additionally, Ms. Vlier's team refreshed member guides, created educational videos for the online library, updated RetireStrong presentation decks, and created a DERP brand asset guide for staff and partners.

Ms. Vlier reviewed how Marketing and Communications connects with active and retired DERP members including articles in weekly bulletins, email, LinkedIn, YouTube, and the website. She also shared metrics for volume, open rates, clickthrough rates, and views.

Goals for the next year include targeted email campaigns, tracking and performance insights, resource materials, and website accessibility enhancements.

Asset Class Review: International Equity

Mr. Baum began the review of the international equity asset class by highlighting that international equity is the second largest asset class in DERP's portfolio, with a target allocation of 18%. The actual allocation at the end of 2025 was 20.3%. He described the asset class as a return driver, noting that DERP has exposure to both developed and emerging markets, with a total composite value of \$605M.

Mr. Baum reviewed portfolio exposure by country. He gave an overview of the historical performance of the asset class and described how returns are affected by currency fluctuation. He described the factors that could impact the future outlook for international equity.

Pamela Watson reviewed recent and historic international equity composite performance, noting that international equities outperformed domestic equities, and emerging markets outperformed developed markets.

Ms. Watson detailed recent and historic performance for each of DERP's 5 international equity managers, including firm characteristics and top holdings. She discussed in detail the characteristics and strategies of the managers, including differences in passive and active, large cap and small cap, and focus across value, core and growth sectors.

Advisory Committee Comments

Mr. Delaney invited Advisory Committee members to comment.

Member and/or Guest Comments

Mr. Delaney noted no guests were present for comment.

Executive Session Pursuant to Section 24-6-402(4)(e) of the Colorado Revised Statutes to Discuss Matters Subject to Negotiation

The Retirement Board voted unanimously to enter into executive session pursuant to Section 24-6-402(4)(e) of the Colorado Revised Statutes to discuss matters subject to negotiation.

I, George Delaney, as Chair of the executive session, attest that these written minutes accurately reflect the substance of the discussion held during the executive session.



Review of Next Meeting and Call for Topics

The next regularly scheduled Retirement Board meeting will be Friday, May 15, at 9:00 a.m.

Adjournment

The meeting was adjourned at 11:39 a.m.



DERP Retirement Board Chair



DERP Executive Director