

Minutes of the DERP Retirement Board

February 20, 2026 - Meeting #873

Meeting #873 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, Carole Buyers, and Danielle Sexton. DERP Advisory Committee members present were Heather Britton (v), Maro Casparian, Chris Miller, and Roberta Monaco. 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 Rose Dean and Will DuPree with NEPC, and Amy McDuffee and Natasha Smith with Mosaic.
(v) Denotes attended virtually.

Call to Order and Roll Call

The meeting was called to order by George Delaney at 9:00 a.m.

Approval of Minutes

Minutes of meeting #872 were approved by a unanimous vote of the Retirement Board members.

Executive Director's Report

Heather Darlington reported that Cheiron has started their annual actuarial valuation process. She gave a brief overview of the valuation process and discussed how the city's layoffs and hiring freeze and DERP's investment performance could impact the valuation. The initial valuation is expected in April and will be presented at the May Retirement Board meeting.

Ms. Darlington shared that Julie Vlier's Marketing and Communications team are attending new employee welcome events to build early awareness about DERP. She noted that new hires at the city are down 17% year-over-year.

Ms. Darlington reminded the Retirement Board and Advisory Committee about training opportunities and the need to secure approval before registration. John Dominguez indicated he would like to attend the NCPERS Annual Conference and Exhibition (ACE) In May. His request to attend was approved by a unanimous vote of the Retirement Board members.

Semi-Annual Membership Services Update

Roni Kirchhevel provided a membership services update, noting that since July 2025, active membership is down 7%, inactive vested membership is up 3%, and members receiving a monthly DERP pension benefit are up 3%. Ms. Kirchhevel provided details about member appointments, email contacts, and education programs fulfilled in 2025. She detailed year-over-year data showing employee contribution refunds, retirement applications, and requests for address, direct deposit, and tax withholding changes all increasing in 2025.

She reported that new retiree survey results remain consistently positive. Danielle Sexton shared that feedback she got on the DERP membership services team is equally positive. Chris Miller asked if DERP surveys active members. Ms. Vlier indicated that a random selection of active members is surveyed specifically about DERP communications. Mr. Dominguez asked if DERP has the capabilities to capture inbound call data. Ms. Kirchhevel responded that DERP recently implemented a new phone system specifically to capture data and is currently designing a roadmap with IT for implementation in mid-2026.

Retiree Medical Plan Overview

Ms. Kirchhevel presented an overview of DERP retiree medical plan offerings. She reviewed the non-Medicare medical plans for 2026, which are negotiated by the City and include two plans with Kaiser and three plans with UnitedHealthcare. DERP's Medicare medical plans are negotiated and contracted by DERP. For 2026, those offerings included Humana Medicare Advantage (available nationwide) and Kaiser Permanente Senior Advantage (available in Colorado only). There are approximately ten thousand members who are eligible for Medicare with a 44% enrollment rate in DERP Medicare medical plans.

Ms. Kirchhevel discussed details about the plan offerings including enrollment requirements, benefits, and value-added services. She also provided information about the ratemaking process, including details about the upcoming RFP and engagement of Lockton to assist with the RFP and contracting.

Ms. Kirchhevel invited input from the Retirement Board and Advisory Committee as DERP moves through the RFP process.

2025 Investment Performance Review

Randy Baum began the 2025 investment performance review by inviting Rose Dean from NEPC to begin. Ms. Dean reviewed investment performance for the 4th quarter of 2025 and the year overall. While the market remained volatile, large cap, and international markets, both



developed and emerging, fared well. While most asset classes and non-U.S. markets and currencies were positive, the U.S. dollar was challenged.

The U.S. economy was stronger than expected, with consumer spending the biggest growth driver. Another tailwind for the economy was AI spending. Ms. Dean shared how DERP's total funds performed compared to 65% stocks/35% bonds blend, over rolling 10-year periods. The blended return for 10 years was 8.4%, and DERP's return was 7.7%.

Mr. Baum shared that DERP's return for 2025 was 12.7%, lagging slightly behind the policy index of 13.6%, and the peer median of 13.4%. There were a number of manager changes in the 4th quarter. Mr. Baum detailed performance by large and small cap equities in both domestic and international markets. He also detailed performance by fixed income, core fixed income, and non-core fixed income composites. Finally, he detailed performance by private debt, real estate, natural resources, timber, energy, infrastructure, and hedge funds.

Asset Class Review: Domestic Equity

Mr. Baum shared that domestic equity is the portfolio's largest target allocation at 24%. He described the characteristics of the asset class, noting that the relevant benchmark is the Russell 3000. Domestic equity is liquid, with active and passive management, and DERP's largest exposure to risk. DERP's actual allocation is slightly over target at 25.1%, or \$746M. Mr. Baum reviewed the domestic equity environment and factors affecting performance in 2025 and the outlook for 2026.

Pamela Watson shared a comparison of DERP's year-over-year domestic equity composite performance compared to the Russell 3000 index and delved into year-over-year large cap (Russell 1000) versus small cap (Russell 2000) performance. Ms. Watson also reviewed year-over-year performance by manager.

Carole Buyers asked about the decision-making path for retaining or changing managers. Mr. Baum answered that managers are measured by results compared to expectations. He emphasized that current managers are constantly being monitored and evaluated.

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, April 17, at 9:00 a.m.

Adjournment

The meeting was adjourned at 11:55 a.m.



DERP Retirement Board Chair



DERP Executive Director