DERP Denver Employees Retirement Plan
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Minutes of the DERP Retirement Board

October 22, 2026 - Meeting #878

Meeting #878 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, Carole Buyers, Jim Liptak, and Danielle Sexton. DERP Advisory Committee members present were Heather Britton, Chris Miller, Roberta Monaco, and Jessica Skibo. DERP staff present were Heather Darlington, Executive Director; James E. Thompson III, General Counsel; Julie Vlier, Marketing and Communications Director; Tim Rawal, Director of Finance and Accounting; Pamela Watson, Deputy Chief Investment Officer; and Terri Campbell, Office Administrator. Guests in attendance were Michael Dunleavy, Hayden Gallary, and Sara Greenfield with Cambridge Associates, and Natasha Smith (v) 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 #877 were approved by a unanimous vote of the Retirement Board members.

Executive Director's Report

Heather Darlington introduced new Retirement Board member, Jim Liptak, and DERP's new Director of Finance and Technology, Tim Rawal. Mr. Liptak recently retired from Colorado Public Employees' Retirement Association (PERA) after 27 years, where he specialized in equities. Mr. Rawal joins DERP after 10 years with UHY where he served as a member of the external audit team. Mr. Rawal will be relocating to Colorado from New York.

Ms. Darlington stated that more than 375 members, family, and friends attended DERP's benefits fair on October 13. She thanked Roni Kirchhevel and the Membership Services team, and Julie Vlier and the Marketing and Communications team for a smooth and successful event.

Ms. Darlington shared that all is on track for the new MyDERP.org portal to go live on December 7. The features and benefits focus on improved usability and accessibility.

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Ms. Darlington invited questions or comments on the third quarter expenditures and demographics report.

Enterprise Review: Investments

Michael Dunleavy with Cambridge Associates introduced his colleagues Hayden Gallary and Sara Greenfield. The purpose of the enterprise review is to update the Retirement Board on the transition, preview next steps, discuss asset allocation, and introduce a draft of the revised investment policy statement (IPS).

Ms. Greenfield reviewed the transition timeline. She demonstrated how key themes from discussions with the Retirement Board, Advisory Committee, and DERP Executive Leadership around clarity, transparency, risk, liquidity, and trust have informed the transition. Mr. Delaney stressed that this is a desired change and fresh start for DERP. John Dominguez added his excitement for new portfolio opportunities.

Mr. Dunleavy reviewed the factors used to establish a risk profile for DERP. Mr. Dunleavy discussed the levers for plan management both inside and outside the portfolio and noted how DERP currently compares to peers.

Mr. Dunleavy shared how Cambridge Associates constructs and categorizes asset classes. He explained the role in the portfolio of public equity, private investments, diversifiers, fixed income and cash. He described how each contributes to the need for growth, liquidity and protection. He provided an assessment of the DERP's evolution over the past 10 years and noted that DERP can take on more illiquidity risks and consider alternative portfolios to generate similar or better returns.

Mr. Gallary showed three possible alternative portfolios and reviewed a summary of historical stress tests. He compared the returns to DERP's current portfolio and the three alternative portfolios. Mr. Dominguez asked how long it would take to transition to one of the three alternative portfolios. Mr. Dunleavy and Mr. Gallary indicated that a full transition would take years and that Cambridge Associates will model and assess every 6 months.

Mr. Gallary shared stochastic modeling for funded status distribution for DERP's current allocation and the three alternative portfolios. He also shared stochastic modeling for actuarially determined contribution rates. Ms. Skibo asked about the viability of a 3% payroll growth assumption. Mr. Dunleavy explained how expected payroll growth factors into modeling. Ms. Darlington explained that DERP revisits payroll growth assumptions during experience studies and adjusts if needed.

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Mr. Liptak asked Cambridge Associates about their private equity comfort level and Mr. Dunleavy answered that 25% or below would be comfortable. Mr. Delaney asked why private equity has a higher return with less risk. Mr. Gallary provided an explanation.

Mr. Dunleavy asked for input on the three alternative portfolios introduced by Cambridge Associates. Mr. Delaney, Ms. Buyers, Mr. Liptak, Mr. Dominguez, and Ms. Sexton each provided feedback.

Chris Miller asked how DERP's current portfolio benchmarks to peers. Mr. Dunleavy responded that peers are invested more in private equity and detailed peer comparisons by asset allocation, risk, and return. Mr. Dunleavy summarized how DERP is likely to differ from peers going forward.

Roberta Monaco asked Pamela Watson for her input on the three alternative portfolios. Ms. Watson sees them as strategic and incremental.

Mr. Gallary reviewed Cambridge Associates' benchmarking philosophy. Ms. Buyers asked if benchmarks would include both current and desired performance details. Mr. Dunleavy affirmed.

Mr. Dunleavy turned to the IPS. James Thompson explained that the draft IPS has been thoroughly vetted and discussed with staff and will need to be reviewed and approved by the Retirement Board. The selection of an alternative asset allocation and the IPS will be on the agenda for vote at the November meeting. Mr. Delaney stressed the importance of the IPS, particularly for an OCIO.

Mr. Thompson reminded the Retirement Board about the best ways to communicate with staff and Cambridge Associates between board meetings.

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)(b) of the Colorado Revised Statutes to Receive Legal Advice on Litigation Matters

Mr. Delaney and Mr. Thompson made the recommendation to defer this session to the November meeting.

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Executive Session Pursuant to Section 24-6-402(4)(f) of the Colorado Revised Statutes to Discuss Personnel Matters

The Retirement Board voted unanimously to enter into executive session pursuant to Section 24-6-402(4)(f) of the Colorado Revised Statues to discuss personnel matters.

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.

Executive Director Review

After returning from executive session, Mr. Delaney, on behalf of his fellow Retirement Board members, expressed his appreciation for the excellent job Ms. Darlington has done over the past year. The Retirement Board voted unanimously to approve a 2% salary increase effective November 1, 2026.

Review of Next Meeting and Call for Topics

The next regularly scheduled Retirement Board meeting will be Friday, November 20, at 9:00 a.m.

Adjournment

The meeting was adjourned at 12:20 p.m.

DERP Retirement Board Chair

DERP Executive Director

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