

Minutes of the Retirement Board

August 20, 2021 - Meeting #835

Meeting #831 of the Retirement Board of the Denver Employees Retirement Plan was held via video/audio conferencing due to social distancing restrictions. The meeting began at 8:00 a.m. Retirement Board Members present: Diane Barrett, Maurice Goodgaine, Guadalupe Gutierrez-Vasquez, Eric Rothaus and Lisa Ramirez. Advisory Committee Members present: Heather Britton, and Andrew Luxen. Staff present: Heather Darlington, Executive Director; Jake Huolihan, Finance and Operations Director; Roni Kirchhevel, Benefits and Membership Services Director; Julie Vlier, Marketing and Communications Director; Randall Baum, Chief Investment Officer; Pamela Watson, Assistant Portfolio Manager; Nali Kande, Operations Assistant; and James E. Thompson III, General Counsel. Others present: Leandro Festino, Jonas Noack from Meketa.

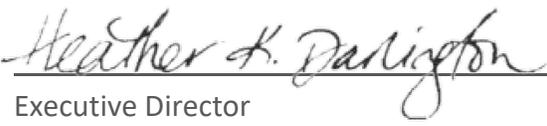
1. The Minutes of Meeting #834 were approved by a unanimous vote of the Board Members.
2. Heather Darlington informed the Board about the vaccine mandate for Board members and DERP employees and explained how to register vaccination status. Heather Britton provided additional details and offered to assist Board members with documentation. Heather Darlington reported that 95% of DERP staff had verified their vaccination status.
3. Roni Kirchhevel presented a Membership Service Update highlighting new and lowered insurance rates and offerings for open enrollment in October. She also highlighted staffing changes including the hiring of a new membership services representative and shifts of personnel to the communications team.
4. Jake Huolihan provided an IT update including security testing results and citing a new contract with security firm Arctic Wolf. He also reported that the CRIS cloud migration had been completed.
5. Leandro Festino and Jonas Noack of Meketa Investment Group presented the mid-year investment review. A summary of the economy and capital markets was given, along with details of investment performance for the quarter ending June 30, 2021. They described the results achieved compared to the blended portfolio benchmark, and relative to peers, for various time periods, as calculated by Meketa. They also identified

and described the performance of the individual managers who had the greatest impact on the results for the quarter.

6. James Thompson provided the Board an update on the Voluntary Correction Program (VCP) filing with the IRS. He reported that the IRS has provided DERP a final signed compliance statement, effectively closing the matter with the IRS. He further explained the details of the compliance statement.
7. James Thompson provided an annual review of the by-laws and code of ethics. He highlighted several by-laws related to travel and meeting logistics that may need to be changed due to COVID-19 protocols. He recommended revisiting these potential amendments once the Board has returned to in-person meetings.
8. Heather Darlington provided an update on two previously discussed changes to the Revised Municipal Code of the City and County of Denver (“DRMC”). Both of the changes were finalized by City Council in July. The first amendment involved a change in the DROP interest rate. Heather explained the effective date of the amendment and that the Board will need to choose a rate between 1-3% at the January 2022 meeting, and annually thereafter. The second DRMC amendment applies the IRC 401(a)(17) salary limits for contribution purposes, in addition to benefit calculation purposes.
9. Heather provided an update on Strategic Plan Goal 1, improving DERP’s funded position. She described the actions that had been taken from an investment, actuarial and contributions standpoint including asset allocation, amortization periods and apportionment of UAL.
10. Pamela Watson presented an asset class review of non-core fixed income. Her presentation included a high-level review of what defines the asset and the role it plays in the DERP portfolio, an overview of the current market environment, a summary of the composite performance of DERP’s various funds over multiple time periods, and a description and commentary on the performance of each manager.
11. There was a brief discussion about safety issues outside the DERP building, due to the fact that a staff member had parts stolen from her car in the DERP parking lot. Staff and Board members discussed potential increased security measures.
12. The next regularly-scheduled Board Meeting will be held on Friday, October 15 at 8:00 a.m.
13. The meeting was adjourned at 9:35 a.m.




Board Chair


Executive Director