



**MINUTES OF THE MEETING OF THE GOVERNING BOARD OF  
THE COLORADO RETIREMENT ASSOCIATION  
12-18-20**

A meeting of the Governing Board of the Colorado Retirement Association was held on December 18, 2020 at 9:00 a.m.

The following were present at the meeting:

Chris Felton, Board Chairman  
Paul Danley, Vice Chairman  
Darius Allen, Board Member  
Tobe Allumbaugh, Board Member  
Adam Ford, Board Member  
Tim Mullen, Executive Director/Chief Financial Officer  
Ed Krisor, Legal Counsel  
Katie Dirksen, Retirement Services Coordinator  
Lois Kruse, Office Administrator

Jerry DiTullio, Board Member was not in attendance

Chris Felton called the meeting to order at 9:01 a.m.

The Innovest team presented a quarterly update and market analysis for the quarter ended September 30, 2020.

Jared Martin began by explaining what a fiduciary is and the functions and duties of a fiduciary. Jared shared that within the retirement plan industry there has been litigation involving retirement plan providers regarding transparency and unreasonable fees. Innovest complimented CRA on doing a very good job of plan oversight in both areas.

Next, Jared discussed CRA's plan fees. Both the CRA 401(a) and 457(b) plan fees are in line or lower than those of plans similar in size.

Peter Mustian discussed the Manager Score card and then gave an overview of individual funds. Peter then reviewed the Watch list and noted that Neuberger Berman Sustainable Equity fund remains on the watch list at this time.

Jared Martin reviewed Share Class information for CRA’s investment menu. Due to CRA’s economies of scale and the availability of other institutional shares classes with lower expenses, it was recommended to change the share classes for five funds.

After a brief discussion, a motion was made by Tobe Allumbaugh to accept the recommended share class changes as presented by Innovest. Adam Ford seconded the motion and it passed unanimously.

The share class changes as approved by the CRA Board of Directors are as follows:

Old Share Class		New Share Class	Similar Investment Style & Objective	Rationale
Fidelity® Contrafund® (FCNTX)	➡	Fidelity® Contrafund® K6 (FLCNX)	Yes	Lowered net prospectus expense ratio from 0.85% to 0.45%
Harbor Capital Appreciation Instl (HACAX)	➡	Harbor Capital Appreciation Retirement (HNACX)	Yes	Lowered net prospectus expense ratio from 0.67% to 0.59%
Metropolitan West Total Return Bd I (MWTIX)	➡	Metropolitan West Total Return Bd Plan (MWT SX)	Yes	Lowered net prospectus expense ratio from 0.46% to 0.38%
MainStay Floating Rate I (MXFIX)	➡	MainStay Floating Rate R6 (MXFEX)	Yes	Lowered net prospectus expense ratio from 0.84% to 0.64%
Vanguard Federal Money Market Inv (VMFXX)	➡	Vanguard Treasury Money Market Investor (VUSXX)	Yes	Lowered net prospectus expense ratio from 0.11% to 0.09%

The Innovest team exited the meeting following the approval of the share class changes by the CRA Board.

Chris Felton asked members of the Board if they reviewed the minutes from the October 23<sup>rd</sup> meeting and if there were any comments. There being none, a motion was made by Chris Felton to approve the minutes as presented. Paul Danley seconded the motion and it passed unanimously.

**CRA Activity Update:**

Tim Mullen noted that to date, there have been 135 CRA entity Participant Agreement reviews. Approximately 90 reviews remain, most pertaining to smaller entities.

Tim continued by stating that CRA’s employers’ benefits fairs season has wrapped up for 2020. It was successful, with a majority of meetings held virtually. For the benefits meetings that were held in person, CRA staff and employer participants all

followed the required pandemic safety mandates which included wearing face coverings and maintaining social distancing of at least six feet.

Tim notified the Board that CRA has changed its health provider as part of the overall benefit package for employees. An extensive review of existing and new providers was performed. With the change, the effective date of annual renewals moved from December 1<sup>st</sup> to January 1<sup>st</sup>, coinciding with the deductible period. These changes reduced costs for both CRA and employees.

Tim Mullen shared with the Board that Empower is rolling out Certified Financial Planning services. Empower, CRA's recordkeeper has previously discussed offering these services. CRA will perform additional vetting on this new offering, considering among other things, costs, liabilities and review processes.

#### Financial Update:

Tim Mullen noted the November 30, 2020 year-to-date blended rate of return for both the 401(a) and the 457(b) plans is 10.10%. CRA's loan rate is at 4.25% and the average loan balances remain about the same.

Year-to-date contributions and distributions to and from the plan are about equal.

Tim Mullen presented the Plan and Association financial statements for the three months ended September 30, 2020.

This discussion reviewed the balance sheets, income statements and the Association's general ledger.

#### Entity qualification reviews:

North Fork Ambulance Health Service District

Town of Eagle

Town of Dove Creek

Ed Krisor stated that he has reviewed the supplied information for the three entities and all qualify to participant in CRA's plans.

The Participation Agreements for North Fork Ambulance Health Service District and Town of Eagle will show an effective date of December 1, 2020 (the CRA Board of Directors had previously authorized entering into these Participation Agreements prior to December 1, 2020). Adam Ford motioned to accept these new entities. The motion was seconded by Darius Allen and passed unanimously.

A motion was made by Chris Felton and seconded by Paul Danley to accept Town of Dove Creek as presented with a Participant Agreement effective date of December 18, 2020. This

motion also passed unanimously.

Expense Reports:

Expense reports were accepted as presented with no questions or comments.

Chris Felton called for a break at 10:54 a.m. The CRA Board reconvened at 11:10 a.m. Chris Felton made a motion to go into Executive Session pursuant to 24-6-402(4)(f) C.R.S. for the purpose of discussing staff personnel matters. The motion was seconded by Adam Ford and passed unanimously.

The public session of the CRA Board of Directors meeting resumed at 12:03 p.m.

Tim Mullen updated the Board on the status of the vacant Board position.

It was noted the Operations Manual had previously been amended to address this situation, where a Board position remained vacant after the initial nomination period resulted in no nominations. CRA will open a new nomination period after the first of the year.

The next meeting of the CRA Board of Directors will be held on Friday, February 19, 2021.

There being no further business to come before the board, a motion was made by Chris Felton and seconded by Adam Ford to adjourn the meeting. The motion passed unanimously and the meeting was adjourned at 12:05 p.m.