

Public School Fund Investment Board
Meeting Minutes – Monday, August 17, 2020 | 12:00 p.m. – 2:00 p.m.

Video Conference via Zoom

- I. Meeting called to Order by Dave Young at 12:02 p.m.
- II. Roll Call – Determination of Quorum
 - Board Members Present:
Dave Young, Peter Calamari, Christine Scanlan
 - Board Members absent:
Jackie Hawkey, John Hereford
 - Meeting attendance:
Eric Rothaus and Maruti More representing the State Treasurer's Office; Janet Becker-Wold and Alex Browning representing Callan, Investment Advisor to the Board; Bill Ryan and Nick Massi, representing the State Land Board; Grant Sullivan, representing the Colorado Attorney General's Office; Kristen Wiley, Portfolio Administrator
- III. After Board review of meeting minutes for May 18, 2020, Peter Calamari made a motion to approve the minutes; second by Dave Young. Roll call taken; the motion passes with two in favor, one abstention, and two excused

Board review of meeting minutes for May 20, 2020, Peter Calamari made a motion to approve the minutes; second by Dave Young. Roll call taken; the motion passes with two in favor, one abstention, and two excused
- IV. Board Membership: All Board members are up for term renewal as of August 2020. Peter Calamari will serve for a second term to end August 31, 2022. Peter noted that he serves on the CLIMBER Board, an oversight board for small business. Jackie Hawkey and John Hereford will both roll off of the PSFIB. Two PSFIB member positions will be open as of September 1, 2020. These positions will be filled in compliance with State statutes. Dave noted the fiduciary duty of the PSFIB to the Permanent Fund and its role in the big picture of State funding for K-12 public schools. There is a significant capital construction deficit and operational deficit. It is important for the PSFIB to stay current on State funding of public schools and hear from different stakeholders.

Christine Scanlan has joined the PSFIB replacing John Shaw as the State Land Board Commissioner serving on the PSPF. Christine brings valuable experience as a legislator and in her position with Keystone.
- V. Update on State Land Board presented by Bill Ryan. SLB operational revenues go 50% to BEST then the remaining 50% less operating expenses historically went to the Permanent Fund. With passage of HB 20-1418 School Finance Act, no SLB money will go to the Permanent Fund for this fiscal year. All SLB net revenue will go to the School Finance Act. There is a possibility that this will last for more than one year. This means there will be no scheduled cash flows into the corpus of the Permanent Fund for the foreseeable future.
The SLB expects a dramatic drop in operating revenues over the next couple of years mainly due to the drop in oil & gas prices and production.
- VI. Alex Browning presented the updates to the IPS mainly related to the two new mandates to high yield fixed income and preferred securities with appropriate updates to allocation table and new investment guidelines for high yield fixed income manager. An appendix was added to reference legislative changes directly affecting the Permanent Fund. A minor edit was made to the equity portfolio guidelines making it clear the portfolio manager has authority to rebalance internally. Peter Calamari made a motion to approve the amended IPS; second by Christine Scanlan. Roll call vote: motion passes with three in favor and two excused.
- VII. Janet Becker-Wold presented the market overview.

- VIII.** Alex Browning presented the quarterly performance report.
 - IX.** Representatives from Janus Henderson presented to the PSFIB. Representing Janus Henderson were Richard Bagshaw, Gina Fales, Mike Keough, Seth Meyer, and Greg Wilensky.
 - X.** Kristen Wiley presented a draft of the financial reports that will be distributed per statute to various state agencies. The financial reports for month ended July 31, 2020 were also presented.
 - XI.** Rebalancing & Mgmt. of Gain/Loss Position
 - XII.** Vote was held to renew contracts. Peter Calamari made a motion to approve an amendment to the Parametric contract extending their service contract by one year until November 1, 2021, update the contract with Fiscal Rule 3-1, amend fee calculation language to be based on daily values, and strike the line noting Board approval to rebalance internally. This motion was seconded by Christine Scanlan. Roll call vote: motion passed with three in favor and two excused. Peter Calamari made a motion to extend the Janus Henderson service contract for one year for one year until October 11, 2021. This motion was seconded by Christine Scanlan.
 - XIII.** No public comment.
 - XIV.** Meeting adjourned at 2:07 p.m.
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