

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL SPECIAL MEETING
MONDAY, APRIL 25, 2022 – SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, JUNE 8, 2022**

MEETING NO. 505

Members present: D. Ellen Shuman, Chair
Treasurer Wooden, Secretary
Myra Drucker
Thomas Fiore, representing Secretary Melissa McCaw
Joshua Hall
Michael Knight
Steven Muench
William Murray
Patrick Sampson

Members absent: Michael LeClair

Others present: Darrell Hill, Deputy Treasurer
Ted Wright, Chief Investment Officer
John Flores, General Counsel
Gary Hudepohl, Hudepohl Associates
Peter Gajowiak, Principal Investment Officer
Raymond Tuohey, Executive Secretary

Guests: Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council (“IAC”) special meeting to order at 4:05 p.m.

Executive Session

Chair Shuman asked for a motion to move into Executive Session. **A motion was made by Mr. Murray, seconded by Mr. Fiore that the IAC enter into Executive Session to consider personnel matters at 4:06 p.m. The motion passed unanimously.** Darrell Hill, Deputy Treasurer; Ted Wright, Chief Investment Officer; John Flores, General Counsel; and Gary Hudepohl, Hudepohl Associates, were invited to attend the Executive Session.

Chair Shuman reconvened the regular session at 5:30 p.m. **Chair Shuman noted that no substantive votes or actions were taken during the Executive Session.**

Consideration of Personnel Matters

Chair Shuman read the resolution of the Investment Advisory Council.

RESOLUTION OF THE INVESTMENT ADVISORY COUNCIL

RESOLVED:

WHEREAS, Treasurer Wooden has announced he is not seeking re-election to the Office of the Treasurer;

WHEREAS, investment professionals at PFM are employed at the discretion of the Treasurer and can be terminated without cause;

WHEREAS, we have learned in reaction to the Treasurer's announcement, many PFM professionals are concerned regarding their employment under a new unidentified Treasurer and have contacted employment search firms seeking opportunities for other employment;

WHEREAS, the departure of key PFM staff would result in a negative impact on the performance of the CRPTF;

WHEREAS, we retained a specialist, Hudepohl & Associates, Inc. to advise the Treasurer and IAC regarding steps to mitigate employee turnover and who has advised us that other public funds have instituted "Severance" provisions or a "Retention Bonus" compensation program for select employees as a common practice;

NOW THEREFORE, In an effort to recruit or retain investment professionals during the period of transition from one Treasurer to the next, the compensation structures for certain investment professionals under the authority of the Investment Advisory Council are amended to allow for a "Severance" provision and/or a "Retention Bonus" with terms determined at the discretion of the Treasurer. The Treasurer, with the approval of the IAC, is authorized to provide the above referenced investment professionals with one or the other, but not both. The "Severance" provision will be offered to all PIOs and above who are not provided a "Retention Bonus." The duration of either agreement shall not exceed one year after a new Treasurer is sworn into office.

Chair Shuman asked for a motion to approve a retention of investment professionals compensation structure during transition. **A motion was made by Ms. Drucker, seconded by Mr. Muench, to approve a compensation structure for retention of investment professionals during transition.**

After further discussion, the Treasurer asked for a motion to move into Executive Session. **A motion was made by Treasurer Wooden, seconded by Ms. Drucker that the IAC enter into Executive Session to consider personnel matters at 5:41 p.m. The motion passed unanimously.**

Chair Shuman reconvened the regular session at 5:46 p.m. **Chair Shuman noted that no substantive votes or actions were taken during the Executive Session.**

Chair Shuman reminded the IAC members there remained a motion on the table, to approve a compensation structure for retention of investment professionals during transition, and that the motion was seconded. The Chair called for a vote. Mr. Fiore opposed. The motion passed.

Meeting Adjourned

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. Murray moved to adjourn the meeting, and the motion was seconded by Ms. Drucker. There being no discussion, the motion passed and the meeting was adjourned at 5:47 p.m.**