

**Fire & Police Pension Association  
Board of Directors Meeting Agenda**

**August 27, 2020  
7:30 a.m. via Zoom**

- 7:30 a.m. **Call to Order.** *Dave Bomberger, Chair*
- 7:35 a.m. **Consent Calendar.** *Dave Bomberger, Chair*  
Approval of July 30, 2020, Board meeting minutes
- 7:35 a.m. **Nelsen administrative appellate review**
- 8:20 a.m. **Break**
- 8:30 a.m. **Ballard administrative appellate review**
- 9:15 a.m. **Cambridge Market Update.** *Brian McDonnell, Cambridge Associates*
- 9:35 a.m. **Investment Report.** *Scott Simon*  
a) Self-Directed Plans Committee update. *Chip Weule*  
b) Amendment to the Investment Policy Statement of the Fire and Police Member's Self-Directed Investment Fund. *Chip Weule*
- 10:05 a.m. **Staff Reports**  
a) Executive Staff Report. *Dan Slack*  
b) General Counsel Report. *Kevin Lindahl*  
c) Notice of Rulemaking for 2020 Rules Hearing
- 10:50 a.m. **Break**
- 11:05 a.m. **Chair's report.** *Dave Bomberger, Chair*  
a) 2021 board meeting dates  
b) Committee assignments. *Tyson Worrell, incoming Chair*  
c) Statewide Hybrid Plan Task Force update. *Tammy Hitchens, Jason Mantas*  
d) Other matters
- 12:05 p.m. **Adjournment**

Please note this will be a Zoom (virtual) meeting. Details are below:

Join Zoom Meeting

<https://fppaco.zoom.us/j/98627003555?pwd=OTZ4ZS9La1pORVN5dU5qdDRvcXRHZz09>

Meeting ID: 986 2700 3555

Passcode: 036143

One tap mobile

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Dial by your location

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**FIRE AND POLICE PENSION ASSOCIATION**  
**Minutes – Board Meeting**  
**August 27, 2020**

**This meeting was held online as a Zoom virtual meeting.**

**Board Members Present:**

Chair Dave Bomberger, Guy Torres, Karen Frame, Patrick Phelan, Mike Feeley, Tammy Hitchens, and Tyson Worrell.

**Staff Members Present:**

Dan Slack, Chip Weule, Kevin Lindahl, Kim Collins, Elaine Gorton, Mike Sutherland, Steven Miller, Austin Cooley, Dale Martin, Ben Bronson, Rossy Burgin, Mandy Kamm, and Isabel Fernandez.

**Others Present:**

Lance Nelsen, Matthew Ballard, FPPA members; Robert Baumberger, Legal Counsel; Stuart Cameron, Cambridge Associates; Matt McCue, Journalist.

*Notice of this meeting and a copy of the agenda were posted at 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111, and on the FPPA website, at least twenty-four hours prior to the meeting.*

**Call to Order**

At 7:30 a.m., Chair Bomberger called the meeting to order.

**Consent Calendar**

Chair Bomberger called for a motion to approve the Consent Calendar:

- Approval of July 30, 2020, board meeting minutes

Mr. Feeley moved to approve the Consent Calendar. Mr. Torres seconded the motion. The motion passed.

**Nelsen administrative appeal**

Mr. Lindahl provided background and an explanation of Mr. Nelsen's case and appellate review as well as the Hearing Officer's Findings, Conclusions, and Recommendation, stating that the Hearing Officer recommended that Mr. Nelsen not be found eligible for disability benefits based on Mr. Nelsen's failure to submit the required application within the statutory timeframe. Mr. Nelsen presented his appeal

and objections. He requested the Hearing Officer's Findings, Conclusions, and Recommendations be set aside and his disability benefit be granted because he was not aware of the deadline. Mr. Nelsen stated that he was occupied obtaining physician statements and was not aware that he had 180 days to submit his application for disability. Mr. Sutherland stated the issue is that while Mr. Nelsen was provided with the tools to file his claim on time he didn't file his disability application within 180 days that is Colorado statute and also FPPA rules.

In response to Mr. Phelan's question, Mr. Sutherland confirmed that in the past the 180 day statute of limitations was tolled for a member due to the member's mental impairment, allowing for the filing of a disability application more than 180 days after his termination from employment.

In response to Ms. Frame's question, Mr. Sutherland went over the time frame and process employed when a member is terminated and applies for disability.

In response to Mr. Torres' question, Mr. Sutherland went over the FPPA disability process.

In response to Mr. Feeley's comment, Mr. Lindahl confirmed the Board's role in determining the appeal.

Chair Bomberger moved the Board to affirm the written Findings, Conclusions, and Recommendations of Hearing Officer Thompson regarding the matter of Lance Nelsen. Mr. Feeley seconded the motion. The motion passed.

### **Ballard administrative appeal**

Mr. Lindahl provided background and an explanation of Mr. Ballard's case and appellate review along with the Hearing Officer's Findings, Conclusions, and Recommendation. Mr. Baumberger addressed the Board on behalf of Mr. Ballard and presented his appeal and objections to the Hearing Officer's recommendation. He requested his client be granted permanent disability with on duty status benefits. Mr. Baumberger shared that Mr. Ballard had worked for the Pueblo police department for 20 years and had been injured on June 10, 2016, during the course and scope of his employment. Mr. Ballard's injury was immediately reported to his employer and accepted as a worker's compensation injury. On August 1, 2016, Mr. Ballard underwent shoulder surgery and the surgery was also accepted as work-related and within the scope of his employment. Because Mr. Ballard was unable to use his left shoulder it caused overuse stress to his right shoulder, resulting in right upper extremity symptoms that have been documented by the worker's compensation doctor. The right upper extremity issue has not been resolved, resulting in numbness and loss of sensation and has been deemed permanent with an impairment rating having been issued. Mr. Sutherland reviewed Mr. Ballard's case and stated that the right upper extremity injury did not occur while Mr. Ballard was on duty. Mr. Sutherland stated that based on the evidence he urged the Board to adopt the Hearing Officer's recommendation.

In response to Mr. Worrell's question, Mr. Baumberger stated that there is only one claim and one application that has been filed.

Ms. Hitchens moved the Board to adjourn into executive session to discuss and receive legal advice from the Legal Counsel regarding this matter as allowed under Section 24-6-402 (4)(b) of the Colorado Revised Statutes. Mr. Phelan seconded the motion. The motion passed.

Chair Bomberger stated the Board returned to its regular meeting. No formal action was taken during the executive session.

Ms. Frame moved the Board of Directors to set aside in part the written Findings, Conclusions, and Recommendations of Hearing Officer Moutz regarding the matter of Matthew Ballard. Mr. Feeley moved that FPPA counsel be directed to draft a final resolution for consideration at the next Board meeting and Ms. Frame agreed. Ms. Hitchens seconded the motion. The motion passed.

### **Cambridge Market Update**

Mr. Cameron provided a review of the Market update. Risk markets continued their strength in July and August. Many have fully completed their rebound from the February and March COVID sell off. The S&P is at +9% for the year. Emerging markets showed gains in July. The market has been very forward-looking and GDP growth for the U.S. is expected to be -5.5% for 2020, driven by what will be a record-breaking 2<sup>nd</sup> quarter with a recovery that hasn't been as V shaped as originally hoped for. Europe is looking worse than the U.S. Markets are pricing in 2021 earnings that exceed 2019 earnings. The recovery in stocks has been very uneven and concentrated within the technology sector. 2020 has a nearly 30% spread between growth and value. On a sector level, tech is up nearly 20%. Real estate, financials and industrials are off 10-20% or more. The fixed income market showed continued strength in July as rates moved lower. The ten year Treasury moved up 15-20 basis points but is still at a low level. Real estate has been under stress in 2020 with public real estate sharply dropping and only retracing about 2/3 of the decline. Gold has been the best performing asset in 2020 due to it being a traditional safe haven and tendency to be a good store of value.

### **Investment Report**

Mr. Martin provided the Investment report. Year to date, the long term pool is performing ahead of the policy benchmark, as well as on the one-year and three-year and five-year basis. The year-to-date performance has effectively bounced back post the COVID interruption with a lot of the strength in July. Global public equity is slightly ahead of the benchmark at 1.69% year to date. The Absolute Return portfolio is ahead of benchmark at 6.85% versus the benchmark of 1.16%.

Mr. Weule provided a review of the Self-Directed Plans Committee report. Due to the passage of HB 20-1044, members' re-entry SRAs will be moved to self-directed accounts held at Fidelity. Source codes will allow the tracking of the pre- and post-tax contributions for members, as well as any excess Statewide Defined Benefit Plan contributions. Rollover codes are also going to be set up with Fidelity so terminated members with accounts at Fidelity can consolidate their retirement funds in their various plans. Since March of 2020, there has been an increase in participant engagement with Fidelity showing an increase of 12% in incoming phone calls as well as an increase of 39% in Net Benefits visits. 88% of the membership did not make any changes while 0.5% went to zero equities. 20 members have taken a CARES Act distribution resulting in a half a million dollars in total distributions, with the median being about \$21,000 per member.

Mr. Weule provided an overview of the Investment Policy and stated that policies are reviewed every year to ensure they are accurate and recommended that the "Asset Allocation" fund structure be changed to the "Target Date" fund structure.

In response to Ms. Hitchens' question, Mr. Weule confirmed that SRA funds had not been moved to Fidelity yet.

Ms. Hitchens moved the Board to amend the Investment Policy Statement of the Fire and Police Members' Self-Directed Investment Fund as presented. Mr. Torres seconded the motion. The motion passed.

### **Staff Reports**

Mr. Slack began the Staff Report by requesting the Board to review the proposed Board meeting dates for 2021.

Ms. Frame moved the Board to adopt the proposed meeting dates for 2021. Ms. Hitchens seconded the motion. The motion passed.

Mr. Slack went on to provide a review of the Education Memo and the different educational opportunities available to Board members and also provided input on how the Resource Center in Diligent is organized, what it contains, and what it has available to Board members.

Mr. Slack shared information regarding implementation of the new phone system.

In response to Ms. Hitchens' question, Ms. Collins stated that staff is not expecting to need to request an amendment to the FPPA budget.

In response to Ms. Hitchens' question, Ms. Collins stated that she would research the Statement of Fiduciary Net Position report regarding the Total Fund vs Self-Directed Net Change and confirm that it's proportionally correct.

Mr. Lindahl directed the Board to the Litigation Report and shared that FPPA had been

appointed the lead plaintiff in both the Boeing matter and the Grand Canyon matter and is proceeding with filing amended complaints in those cases. Mr. Lindahl stated that the written report contains information on the ongoing Cognizant matter and updates regarding the different litigation matters FPPA is involved with.

Mr. Lindahl directed the Board to the proposed Notice of Rulemaking outlining the different amendments that are being proposed to the different Plan rules and Plan documents that FPPA administers.

Ms. Frame moved the Board to direct the publication of the Notice of Rulemaking for October 15, 2020. Ms. Hitchens seconded the motion. The motion passed.

### **Chair's Report**

Mr. Slack shared that the Statewide Hybrid Plan Task Force organizational meeting is scheduled for August 31<sup>st</sup>.

Mr. Worrell went over the new committee appointments with Mr. Torres, Mr. Bomberger, Ms. Frame and Mr. Feeley being appointed to the Investment committee. The Investment committee appoints its own chairperson. Ms. Frame and Mr. Phelan have been appointed to the Budget committee, with Ms. Frame appointed as the Chairperson. Ms. Hitchens, Mr. Mantas and Mr. Torres have been appointed to the Audit committee, with Ms. Hitchens appointed as the Chairperson.

At 11:04 a.m., Chair Bomberger adjourned the meeting.