

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

**September 24, 2020
7:30 a.m. via Zoom**

- 7:30 a.m. **Call to Order.** *Tyson Worrell, Chair*
- 7:35 a.m. **Consent Calendar.** *Tyson Worrell, Chair*
Approval of August 27, 2020, Board meeting minutes
- 7:35 a.m. **Cambridge Market Update.** *Brian McDonnell, Cambridge Associates*
- 8:00 a.m. **Investment Report.** *Scott Simon*
- 8:30 a.m. **Break**
- 8:45 a.m. **Determination of Ballard administrative appeal.** *Kevin Lindahl*
- 9:00 a.m. **Legislative update.** *Bill Clayton*
- 9:30 a.m. **Notice of Rulemaking - supplemental notice.** *Kevin Lindahl*
- 9:35 a.m. **Staff Reports**
a) Executive Staff Report. *Dan Slack*
b) General Counsel Report. *Kevin Lindahl*
c) Lombard & Clayton contract. *Kevin Lindahl*
- 10:05 a.m. **Break**
- 10:15 a.m. **Chair's report.** *Tyson Worrell, Chair*
a) SWH Plan Task Force report. *Tammy Hitchens, Jason Mantas, Co-Chairs*
b) Audit Committee report. *Tammy Hitchens, Chair*
b) Other matters
- 10:45 a.m. **Adjournment**

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

<https://fppaco.zoom.us/j/92796851594?pwd=cFk5UW9XdjEvYk1SVkl0YW5RmcxZz09>

Meeting ID: 927 9685 1594

Passcode: 331226

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FIRE AND POLICE PENSION ASSOCIATION
Minutes – Board Meeting
September 24, 2020

This meeting was held online as a Zoom virtual meeting.

Board Members Present:

Chair Tyson Worrell,, Vice-Chair Tammy Hitchens, Dave Bomberger, Mike Feeley, Karen Frame, Jason Mantas, and Guy Torres.

Staff Members Present:

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

Others Present:

Brian McDonnell, Stuart Cameron, William Craig, Cambridge Associates; Bill Clayton, Lombard & Clayton.

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 7:34 a.m., Vice-Chair Hitchens called the meeting to order.

Consent Calendar

Vice-Chair Hitchens called for a motion to approve the Consent Calendar:

- Approval of August 27, 2020, Board meeting minutes

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

Cambridge Market Update

Mr. McDonnell provided a review of the Market update. August was the best month of the year with equities up 6%. Changes in Federal Reserve policy caused bond yields to rise (10 year treasury rose to 0.72%). There has been a reversal in the equity markets in September and the S&P 500 has given back about 7.5% for the month. There was a big reversal in growth with value stocks outperforming. Growth is up 18% year to date while value is down 14%. FAANG stocks were up 50% year to date.

Investment Report

Mr. Simon provided the Investment Report. The Long Term Pool was up 3.84%, well ahead of its benchmark year to date. Once the current quarter private markets benchmarks are incorporated, the outperformance gap will narrow. The global equity, long short equity, and managed futures portfolios are still ahead of their benchmarks year-to-date. Fixed income is still lagging its benchmark year-to-date. The absolute return portfolio is well ahead of benchmarks and doing well. Global equity is slightly above its target allocation while managed futures is under-weight its target.

Determination of Ballard administrative appeal

Mr. Lindahl advised that he had prepared a written final determination of the Ballard administrative appeal for the Board's consideration. The written final determination makes the necessary findings that are required to be in written form.

Mr. Feeley moved the Board to adopt the Final Determination in the Matter of Matthew Ballard, awarding him permanent occupational disability as the result of an injury received while performing official duties. Mr. Torres seconded the motion. The motion passed.

Notice of Rulemaking – supplemental notice

Mr. Lindahl stated that since July 2020 FPPA staff has found that there is a need to make additional rule changes as it continues to work on implementing the legislation from HB20-1044 and in order to be in compliance with recent changes in federal law. He went on to state that an additional Notice of Rulemaking is required to be published with additional proposed rule changes for October's rulemaking hearing.

Ms. Hitchens moved the Board to approve and authorize the issuance of the supplemental Notice of Rulemaking labeled #2, providing notice of additional proposed rules for consideration at the October 15, 2020, hearing. Mr. Torres seconded the motion. The motion passed.

Staff Reports

Mr. Slack began the Staff report by sharing that the Board policies review will be held at the November 2020 Board meeting. Mr. Slack advised the Board that all the policies can be found in the Resource center on Diligent Boards. He went on to review the available educational events and the deadlines to register. Mr. Slack advised the Board that it is almost time to renew the NACD membership and shared what events were offered and that a decision needed to be made as to if the Board finds value in the membership and would like to renew it.

In response to Mr. Bomberger's question, Mr. McDonnell confirmed that Cambridge Associates would be offering virtual educational events.

Mr. Slack advised the Board that FPPA has engaged the services of Ice Miller to perform a diversity, equity and inclusion review of FPPA to provide a status report on FPPA and provide any recommendations they may have. In response to Mr. Mantas' question, Mr. Slack stated that the Ice Miller review will be a 2-3 month process and there will be a report provided at the end.

Mr. Simon stated that bank fees are a budgeted item of \$430,000 for 2020, which includes Wells Fargo fees, but is primarily for the custodial bank relationship with BNY Mellon.

In response to Ms. Frame's question, Mr. Slack confirmed that the Governor has not yet taken any action on board member appointments, and noted that the Governor is seeking diversity in his various board and commission appointments.

Legislative update

Mr. Clayton reported that FPPA's legislation was passed during the pre-Covid-19 part of the legislation session, with bipartisan support, and became law in September 2020 (aspects of the law become effective January 1, 2021). All interim committees have been canceled this fall, and there won't be a Pension Review Commission hearing this fall. Mr. Clayton stated that Mr. Lombard is retiring, but that Mr. Clayton is willing and able and would like to continue to represent FPPA.

General Counsel Report

Mr. Lindahl presented the General Counsel report, sharing that he had been interviewed by the *Wall Street Journal* regarding the Boeing case and that there will be an article published with mention of FPPA in the next few days.

Mr. Lindahl recommended to the Board that Lombard & Clayton's contract be renewed and the contract price for Lombard & Clayton be increased for 2020/2021 to \$48,000.

In response to Ms. Hitchens' questions, Mr. Lindahl stated that there was no concern with Mr. Clayton working on his own and, although there is less work anticipated this coming year, there is always a need to have someone at the Capitol to educate legislators on FPPA and monitor bills potentially impacting the organization.

Mr. Bomberger moved the Board to adopt the renewal of the contract for legislative services with Lombard & Clayton. Ms. Hitchens seconded the motion. The motion passed.

Chair's Report

Mr. Mantas provided an update to the Board regarding the Statewide Hybrid Plan Task Force planning meeting, stating that the makeup of the task force was primarily discussed. He stated that both employer and employee representatives should be included and it should include a focus on departments that had new hires going into the Statewide Hybrid Plan.

Ms. Hitchens presented a review of the Audit Committee meeting. Ms. Hitchens stated the IT and vulnerability reports went very well, as did the disaster recovery plan review, auditor reports, and investment report.

In response to Mr. Bomberger's question, Mr. Weule stated that there hasn't been an increase in actual retirements by FPPA members. There has been an increase in member inquiries regarding Rule of 80 and service purchases.

In response to Mr. Bomberger's question, Mr. Slack went over plans to return to the office at such time it is determined that the plan can be implemented safely. He noted that his lodestar on making decisions on this is maintaining the business continuity of FPPA's operations. It is unknown when such time will occur.

At 9:46 a.m., Chair Worrell adjourned the meeting.