

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

**October 15, 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 September 24, 2020, board meeting minutes
- 7:35 a.m. **Rulemaking Hearing.** *Mike Sutherland*
- 8:50 a.m. **Sudan Divestment Report.** *Scott Simon*
- 9:00 a.m. **Chair's report.** *Tyson Worrell, Chair*
- 9:10 a.m. **Adjournment**

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

Join Zoom Meeting

<https://fppaco.zoom.us/j/97040927010?pwd=VXRROVFES2NZcXBJZ3pDMjAxdjNYUT09>

Meeting ID: 970 4092 7010

Passcode: 747651

One tap mobile

+12532158782,,97040927010#,,,,,0#,,747651# US (Tacoma)

+13462487799,,97040927010#,,,,,0#,,747651# US (Houston)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 9128 US (San Jose)

+1 301 715 8592 US (Germantown)

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+1 646 558 8656 US (New York)

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**FIRE AND POLICE PENSION ASSOCIATION
Minutes – Special Board Meeting
October 15, 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, Patrick Phelan and Guy Torres.

Staff Members Present:

Dan Slack, Chip Weule, Kevin Lindahl, Kim Collins, Scott Simon, Elaine Gorton, Steven Miller, Mike Sutherland, Karen Moore, and Isabel Fernandez.

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., Chair Worrell called the meeting to order.

Consent Calendar

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

- Approval of September 24, 2020, Board meeting minutes

Mr. Mantas moved to approve the Consent Calendar. Mr. Phelan seconded the motion. The motion passed.

Rulemaking Hearing

Chair Worrell stated the public hearing was being convened at 7:35 a.m. on Thursday, October 15, 2020, and was being held via Zoom. The FPPA Board was considering the proposed rules and plan amendments which have been made available to all departments through a mailing of the "Notice of Rulemaking" and posted on the FPPA website. He asked if there was anyone in the meeting to present arguments or evidence for or against any of the proposed rule changes or plan amendments and if so, to please identify themselves by giving their name. He advised they would have an opportunity to speak and/or present material during the hearing. No one came forward.

Chair Worrell stated that we would hear from the FPPA staff. Staff was asked to report on the Notice that was given prior to this hearing and offer Resolutions 2020-

04, 2020-05, 2010-06, 2020-07, and 2020-08 for the record. He stated Mr. Sutherland would also review the proposed rules and plan amendments, and present the proposed statement of basis, statutory authority, and purpose of the rule. Chair Worrell asked if the staff had received any written comments prior to the hearing. Mr. Lindahl confirmed they had not. Chair Worrell stated that, at that time, the Board would take public comment on the proposed rule changes or plan amendments. There were no comments from the public.

Mr. Sutherland introduced himself and stated he was the Benefits Counselor for FPPA. He stated he would present the proposed changes to the Rules and Regulations for the FPPA plans, which will be effective on January 1, 2021. Mr. Sutherland reported that the notices of the rulemaking hearing were given to each participating department at least 30 days prior to the hearing. The notices were also posted on the FPPA website. He further stated the notice requirements were met. Mr. Sutherland testified that drafts of the proposed rule amendments and plan document amendments were posted on the website at least 30 days prior to the hearing.

Mr. Sutherland directed the Board to Exhibit A of Resolution No. 2020-04 advising that he was going to highlight the major areas that are proposed for revision. He said many of the amendments have to do with legislation that was passed by the Colorado General Assembly, HB 20-1044. There have been extensive changes to the Statewide Defined Benefit Plan. There have also been some changes and additions to the definitions section in the FPPA Rules and Regulations. The first major change in the definitions discussed by Mr. Sutherland was been the addition of the definition of "Department Chief." This was done because there was legislation in 2019 to allow Sheriff's offices to more easily affiliate with FPPA.

The next definition discussed was the New Hire Benefits Account definition, which has been added to define the statutory reference to this term.

The next definition Mr. Sutherland discussed was for the Self-Directed Plans Committee. This is a committee to which the Board delegated authority to review the Self-Directed Plans. This definition has been taken from the FPPA Investment Policy statement.

The next amendment discussed is due to the Secure Act and changes the rules for minimum distributions of retirement funds from age 70½ to age 72.

Mr. Sutherland stated that, as part of the 2020 legislation, FPPA will be moving the accounts formally known as Reentry Separate Retirement Accounts (Reentry SRA) into the self-directed Money Purchase-only component of the Statewide Hybrid Plan, administered by FPPA's record keeper, Fidelity.

The next changes discussed were to chapter 3 -- rules of the Statewide Defined Benefit Plan. Mr. Sutherland went over section 300 of the rules, stating this section addresses statutory changes.

In response to Ms. Hitchens' question, Mr. Sutherland confirmed that if a member

enters the Deferred Retirement Option Plan (DROP) program in the Statewide Defined Benefit Plan, they would have to separate from employment unless the employer agrees to allow the employee to continue employment. If the member continues employment, the employer must make retroactive contributions to the pension for the DROP period. Mr. Lindahl added that the DROP agreement is between the member and the employer. While termination of employment is expected at the conclusion of the DROP period, it is possible that the member and the employer agree otherwise. The rules provide for that circumstance.

Mr. Sutherland proceeded to go over chapter 4 and discussed a proposed change to FPPA rule 404.04. This rule requires a member who is applying for disability retirement to submit their application within 180 days from the date certified by their employer as the last day on payroll.

Mr. Sutherland went on to rule 506.01, explaining that this change is being proposed to clarify when a member must complete an application for disability retirement and the level of benefit.

Mr. Sutherland stated the changes to rule 602 apply to Social Security employers who would like to affiliate with an FPPA plan in the Statewide Defined benefit system. The changes to rule 606 relate to departments wishing to affiliate with the Statewide Death and Disability plan. Changes to rule 609 are based on the legislation and continued rates of contribution.

Rule 706.04 is a fine tuning of FPPA's rules regarding domestic relations orders. The change clarifies that FPPA needs a certified copy of the final order dividing FPPA pension benefits within 90 days of when that order is issued. Changes to rule 707.08 involve rolling over retirement funds into FPPA plans.

Mr. Sutherland proceeded to Exhibit B of Resolution 2020-04 which contains the Statewide Hybrid Plan Rules and Regulations. Rule 10.02(b) included amendments stating that if a member is fully vested in the Money Purchase component and retires on either a permanent occupation disability retirement or a total disability retirement, that member has access to their account at the time of their disability retirement just as if they had retired normally.

Rules under article 14 contain changes to the administration of domestic relations orders, and were made to be consistent with all the rules in all the plans, for ease of administration.

Mr. Sutherland then discussed amendments contained in Exhibit C to Resolution 2020-04 which includes updates to the Statewide Hybrid Plan Document required for clarification, changes in state and federal law, and references to amended plan rules.

All changes proposed in Resolution 2020-04 for the FPPA Rules and Regulations, the Statewide Hybrid Plan Rules and Regulations, and the Statewide Hybrid Plan Document are contained in Exhibits A, B, and C to the Resolution, respectively.

Mr. Sutherland next discussed Resolution 2020-05, regarding the adoption and amendment of the Statewide Money Purchase Plan Document. Amendments include adoption of provisions required under the new federal SECURE Act, additional definitions, and other amendments necessary for the plan to integrate with state and federal law. All proposed changes are contained in Exhibit A to the Resolution.

Mr. Sutherland then proceeded to Resolution 2020-06 for the Adoption and Amendment to the Colorado Springs New Hire Pension Plan Rules and Regulations. The proposed change to rule 7.03(k) modifies it to be consistent with federal tax law that a member has to be married for his or her beneficiary to have certain distribution options. Additional amendments are made for clarification and in order to make the plan consistent with state and federal law. All proposed changes are contained in Exhibit A to the Resolution.

Mr. Sutherland then presented Resolution 2020-07 for the amendment of the FPPA Multi-Employer Deferred Compensation Plan. The amendments include provisions for implementing the federal CARES Act, the federal SECURE Act, and to add additional flexibility to members in managing assets from various sources in the deferred compensation account. All proposed changes are contained in Exhibit A to the Resolution.

Finally, Resolution 2020-08 was presented, which contains the amendments to the Statewide Defined Benefit Plan Document which are the result of the enactment of HB20-1044. Exhibit A to the Resolution contains the revisions to the plan document.

No additional persons wished to present testimony with regard to the proposed rule changes.

Mr. Bomberger stated that based on the information presented at today's rule-making hearing, and on the record as a whole, he moved the Board to adopt Resolution 2020-04 which sets forth amendments to the FPPA Rules and Regulations, the Statewide Hybrid Plan Regulations and the Statewide Hybrid Plan Document. Mr. Mantas seconded the motion. The motion passed.

Mr. Phelan stated that based on the information presented at today's rule-making hearing, and on the record as a whole, he moved the Board to adopt Resolution 2020-05 which sets forth amendments to the Statewide Money Purchase Plan Document. Mr. Feeley seconded the motion. The motion passed.

Ms. Hitchens stated that based on the information presented at today's rule-making hearing, and on the record as a whole, she moved the Board to adopt Resolution 2020-06 which sets forth amendments to the Colorado Springs New Hire Pension Plan Rules and Regulations. Mr. Phelan seconded the motion. The motion passed.

Mr. Feeley stated that based on the information presented at today's rule-making hearing, and on the record as a whole, he moved the Board to adopt Resolution 2020-07 which sets forth amendments to the FPPA Multi-Employer Deferred Compensation Plan. Mr. Bomberger seconded the motion. The motion passed.

Mr. Bomberger stated that based on the information presented at today's rule-making hearing, and on the record as a whole, he moved the Board to adopt Resolution 2020-08 which sets forth amendments to the Statewide Defined Benefit Plan Document. Ms. Hitchens seconded the motion. The motion passed.

Chair Worrell thanked everyone that participated in the hearing and stated that the Hearing had concluded and was now closed.

Sudan Divestment Report

Mr. Simon presented the Sudan Divestment report stating that it was the semi-annual compliance with Sudan divestments legislation which has been in existence for about 13 years. It requires FPPA to watch, and potentially divest of, any companies that are actively doing business in Sudan. The report shows that FPPA is in compliance.

Chair's Report

At 9:00 a.m., Chair Worrell adjourned the meeting.