

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

**November 5, 2020
7:30 a.m. via Zoom**

- 7:30 a.m. **Call to Order.** *Tammy Hitchens, Vice Chair*
- 7:30 a.m. **Consent Calendar.** *Tammy Hitchens, Vice Chair*
 a) Approval of October 15, 2020, Special Board meeting minutes
 b) Montrose FPD Old Hire Fire Pension Plan amendment, increase survivor
 benefits effective 1/1/2021
- 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. **Standards of conduct, conflict of interest policy review, personal trading
policy review, and educational discussion.** *Kevin Lindahl, Scott Simon*
- 9:45 a.m. **Break**
- 10:00 a.m. **Staff Reports**
 a) Executive Staff Report. *Dan Slack*
 b) Q3 Board Scorecard. *Dan Slack*
 c) General Counsel Report. *Kevin Lindahl*
 d) FPPA webinars report. *Chip Weule*
- 10:30 a.m. **Chair's report.** *Tammy Hitchens, Vice Chair*
 a) SWH Plan Task Force update. *Jason Mantas, Tammy Hitchens*
 b) Educational events. *Dan Slack*
 c) Other matters
- 11:00 a.m. **Adjournment**

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

<https://fppaco.zoom.us/j/99976868745?pwd=THFMamdjWU5xaTd1RExYVW1XRjRRdz09>

Meeting ID: 999 7686 8745

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**FIRE AND POLICE PENSION ASSOCIATION
Minutes – Special Board Meeting
November 5, 2020**

This meeting was held online as a Zoom virtual meeting.

Board Members Present:

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, Austin Cooley, Dale Martin, Mandy Kamm, Rossy Burgin, Sean Ross, Ben Bronson, Jessica Hsu, and Isabel Fernandez.

Cambridge Associates Members Present: Brian McDonnell, Stu Cameron, William Craig

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., Vice Chair Hitchens called the meeting to order.

Consent Calendar

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

- Approval of October 15, 2020, Special Board meeting minutes

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

Cambridge Market Update

Mr. McDonnell presented the market update. The market has downplayed concerns about current events in the last few months. There has been a lot of volatility and a lot of what is being seen since the election is the repricing of the risk. Bond prices have risen with the belief that political gridlock will lead to less fiscal spending and less borrowing. Risk assets and Treasuries sold off in October. Tech stocks continue to rise. The dollar is weaker and the net impact on corporate earnings remains uncertain. October had more good days than bad and negative sentiment appears

to be primarily due to the increasing Covid-19 cases in the U.S. The economy continues to remain stable, although at high levels of unemployment. In October, small cap stocks massively outperformed large cap stocks, but not enough to make a dent in the year-to-date dynamic. Emerging markets were the best-performing space in the third quarter, well ahead of developed markets.

In response to Mr. Mantas' question, Mr. McDonnell agreed that the economy has a higher probability of another recession without further fiscal stimulus.

Investment Report

Mr. Simon presented the investment report. Performance is up 3.7% year to date, well ahead of the benchmarks. Global public equity is performing well. The long/short portfolio, managed futures, and absolute returns are performing ahead of benchmarks year-to-date. Asset allocation is largely in line, with the exception of managed futures. There is a need to create approximately \$115 million in liquidity in December to accommodate the pending SRA transfer to Fidelity in January.

Standards of conduct, conflict of interest policy review, personal trading policy review and educational discussion

Mr. Lindahl presented the standards of conduct and conflict of interest policies and went over the statutes that underlie these different policies. The FPPA Board has full and unrestricted discretionary power over the assets that are held to pay benefits to the members and beneficiaries in the various plans administered by FPPA. The members of the board are trustees and have fiduciary duties. Fiduciary duties include the duty of prudence and the duty of loyalty. A fiduciary must invest and manage the trust assets solely in the interest of the plan beneficiaries. FPPA is a political subdivision of the state and there are standards of conduct that apply to Board members and FPPA employees. Board members and employees shall not disclose or use confidential information to further substantially their own personal financial interest. Board members and employees shall not accept a gift of substantial value or of substantial economic benefit or assist any person for a fee or compensation in obtaining a contract or other economic benefit from FPPA. Board members and employees can also be charged criminally for acts related to misconduct.

Ms. Frame moved that the Board adjourn into executive session to discuss personnel matters, as allowed under Section 24-6-402 (4)(f) of the Colorado Revised Statutes. Mr. Bomberger seconded the motion. The motion passed.

Mr. Bomberger moved to exit executive session. Mr. Phelan seconded the motion. The motion passed.

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

Mr. Simon reviewed FPPA's personal trading policy, including the use of non-public information for how the portfolio is managed.

In response to Mr. Bomberger's question, Mr. Simon stated that duplicate staff brokerage statements are not currently required.

Staff Reports

Mr. Slack presented the Staff report. The Governor is expected to make appointments to the FPPA board in the near future. Mr. Torres has applied for reappointment and there are three applicants for the active police officer position, including Chair Worrell. There have been two applicants for the municipal employer position.

FPPA staff has met with the architectural firm Waring and also Transwestern, the building management company, regarding architectural options for the post-pandemic office. Ms. Collins added that FPPA is also looking at the tenant space and any updates that may be needed and that at the moment the space has been taken off the market until a decision has been made about building modifications. In response to Mr. Bomberger's question, Mr. Slack stated that the safest option to ensure business continuity, at this point in time, is to continue to work from home.

Mr. Slack went on to review the Q3 Board Scorecard. Items that didn't have green checkmarks were largely remedied by the 2020 legislation. The Board has created a task force to study the Statewide Hybrid Plan, including its hybrid nature, and the benefit structure of the plan, including Rule of 80.

In response to Mr. Bomberger's question, Ms. Gorton went over the different activities that are being presented to keep employees engaged and connected while working from home.

Mr. Weule presented the FPPA webinars report and presented a video of the webinars that are offered to FPPA members, stating members are busy but it's important to stay in contact with members without overwhelming them. FPPA wants to reassure members that their benefits are well cared for. Newsletters will be sent to keep members up to date on resources available to them. All information, including forms and brochures, have been updated to reflect the recent legislation.

In response to Mr. Bomberger's question, Mr. Weule stated there has not been an anomalous increase in applications for retirement or disability from FPPA members but there has been an increase in calls regarding service purchase and rule of 80.

Chair's Report

Mr. Mantas presented information on the Statewide Hybrid Task Force. Ms. Hitchens and Mr. Mantas have met with FPPA staff and sent out invitations to members and

employers that were selected as potential members of the task force. The first task force meeting is scheduled for December, continuing through May, and concluding in June with a recommendation to the board.

Mr. Slack went over the educational events memo, pointing out the virtual events being offered. Mr. Slack presented information regarding the National Association of Corporate Directors (NACD) and its membership renewal. Ms. Frame stated she had attended several NACD events and had found them useful. Mr. Bomberger and Mr. Phelan also stated they were in favor of renewing the membership for 2021.

At 10:20 a.m., Vice Chair Hitchens adjourned the meeting.