

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

**March 26, 2020  
7:30 a.m.**

- 7:30 a.m.     **Call to Order.** *Dave Bomberger, Chair*
- 7:30 a.m.     **Adoption of an Electronic Participation Policy**
- 7:35 a.m.     **Consent Calendar.** *Dave Bomberger, Chair*  
                  Approval of January 23, 2020, board meeting minutes  
                  Approval of February 13, 2020, special board meeting minutes
- 7:35 a.m.     **Cambridge Market Update.** *Brian McDonnell, Cambridge Associates*
- 8:00 a.m.     **Investment report**  
a)    Review of January performance and managers. *Scott Simon*  
b)    Investment Committee Report. *Guy Torres, Chair of Investment Committee*
- 8:50 a.m.     **Break**
- 9:00 a.m.     **Staff Report**  
a)    Executive Staff Report.  
          i. Business continuity update. *Dan Slack; Kim Collins*  
          ii. Service purchase factors. *Chip Weule*  
          iii. Personnel matter - executive session. *Dan Slack*  
b)    General Counsel Report. *Kevin Lindahl*  
          i. Proposed Aurora Police pension MOU  
c)    Budget Variance Report. *Ahni Smith*  
d)    Self-Directed Plans Committee Report. *Chip Weule*
- 10:00 a.m.    **Chair's report.** *Dave Bomberger, Chair*  
a)    Items for Future Discussion.
- 10:30 a.m.    **Adjournment**

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

Join Zoom Meeting

<https://fppaco.zoom.us/j/9833746764>

Meeting ID: 983 374 6764

One tap mobile

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Meeting ID: 983 374 6764

**FIRE AND POLICE PENSION ASSOCIATION  
Minutes – Board Meeting  
March 26, 2020**

**This meeting was held online as a Zoom Virtual Meeting.**

**Board Members Present:** Chair Dave Bomberger, Guy Torres, Jason Mantas, Karen Frame, Mike Feeley, Patrick Phelan, Sue Morgan, Tammy Hitchens, and Tyson Worrell.

**Staff Members Present:** Dan Slack, Kevin Lindahl, Kim Collins, Scott Simon, Chip Weule, Elaine Gorton, Ahni Smith, Ben Bronson, Austin Cooley, Dale Martin, Steven Miller, Michael Sutherland, Isabel Fernandez, and Karen Moore.

**Others Present:** Brian McDonnell, Stuart Cameron, Cambridge Associates. Mike Barela, member(s) of the public.

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

**Call to Order**

At 7:32 a.m., Chair Bomberger called the meeting to order.

**Adoption of an Electronic Participation Policy**

Mr. Lindahl reviewed the proposed Electronic Participation Policy. Mr. Slack discussed removing the roll call requirement.

Mr. Phelan joined the meeting.

Mr. Mantas moved the Board to approve the Electronic Participation Policy with a revision to remove the roll call requirement. Ms. Morgan seconded the motion. The motion passed.

Ms. Hitchens joined the meeting.

**Consent Calendar**

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

- Approval of January 23, 2020, board meeting minutes
- Approval of February 13, 2020, special board meeting minutes

Ms. Morgan moved to approve the Consent Calendar. Mr. Worrell seconded the motion. The motion passed.

### **Investment Update and Cambridge Report**

Mr. Simon stated market declines have been swift and unprecedented. There is uncertainty of the magnitude and length of the downturn. Equity market declines have nicely rebounded in the last three trading days but continue to be significantly down compared to year-to-date numbers. Interest rates have been extremely volatile. Oil prices have dropped and a recession is imminent.

It's important to stay calm and focus on the things we can do. The team is staying on top of all the information coming out. The portfolios have the ability to withstand the market environment.

We are focused on maintaining liquidity and all the pools are at their cash targets: the Long Term Pool at 2%, the Glide-Path Pool at 5%, and the Short Term Pool at 10%.

#### Cambridge Report

Mr. McDonnell discussed the current market, with an emphasis on COVID-19's impact on the market. We saw the biggest drawdown in a decade.

U.S. Dollar returns have been worse for international investments than the local currency returns as the dollar strengthens.

Mr. McDonnell reviewed public markets from 2007-2012. He believes that FPPA's current asset allocation remains appropriate and supports the continued investment in private equity through this period of market turmoil.

#### Investment Committee

Mr. Bomberger stated the Investment Committee will be meeting next week on March 30<sup>th</sup>.

#### Review of January performance

Mr. Simon provided a review of performance and managers. The FPPA portfolio is down about 12% year-to-date for the Long Term Pool. The Glide-Path Pool is down about 6.5% year to date.

Mr. Simon concurred with Mr. McDonnell that it is too early to tell how private markets have performed during this downturn, but we will continue to make private market investments in accordance with our pacing plan.

The Internal Investment Committee approved commitments to the following private

capital funds: Spire Capital Partners IV, Rubicon Technology Partners III, and Greenspring Opportunities VI. Staff approved a change in FPPA's primary cash investment vehicle. The BNY Mellon EB Temporary Investment Fund will be replaced with the BNY Government Short Term Investment Fund. Staff approved a full redemption from AQR Delta.

Mr. Bomberger asked if we have experienced early capital calls on private equity lines. Mr. Martin explained that the GPs have asked lenders for flexibility on lines of credits so that calls are not happening all at once. The feeling from lenders is that liquidity is better than in 2009, so for the moment this is not a major issue but remains on everyone's radar.

## **Staff Report**

### *Business continuity*

Mr. Slack and Ms. Collins provided an update on business continuity as the FPPA office prepared and ultimately went remote on March 16<sup>th</sup> due to the COVID-19 pandemic.

IT is monitoring the network closely. Staff is encouraging members to utilize self-service features in the Member Account Portal and has implemental extra steps in the process to help prevent fraud and has created new processes to manage U.S. mail. Our property management security service is monitoring the office.

Mr. Bomberger asked about any concerns staff is hearing from members. Mr. Weule said we continue to receive routine calls with manageable volume. Staff has been very innovative and is able to continue providing all necessary services.

### *Service purchase factors*

Mr. Weule explained how the rule of 80 impacts the costs for purchasing service. Mr. Weule and Ms. Collins explained why staff is incorporating the change in cost this year, rather than waiting until 2021.

Mr. Lindahl provided the legislative update. HB20-1044 was sent to the Governor this week. Staff is optimistic that the bill will be signed. The Governor has ten days to sign or veto the bill. If no action is taken during this time, the bill becomes law.

Last Wednesday, staff met with the Governor's staff to discuss the stakeholder discussions held with employers through the legislative process. Mr. Worrell gave his insight on the process and his testimony during legislative hearings. Messrs. Worrell and Mantas gave praise to staff for their preparation and work over the past year in getting the bill passed.

Mr. Mantas also commended staff on successfully maintaining the office and getting

benefits paid during the turmoil caused by COVID-19.

***Personnel matter - executive session***

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

The Board entered executive session.

The following staff was present for the executive session: Messrs. Slack, Lindahl, Simon, Weule, Miller, and Sutherland and Mses. Collins, Gorton, Moore and Ms. Fernandez.

Mr. Feeley moved the Board to exit the executive session. Mr. Phelan seconded the motion. The motion passed. The Board returned to its regular meeting.

Chair Bomberger stated no formal actions were taken and no motions were made during the executive session.

Messrs. Bronson, Cooley, and Martin did not rejoin the meeting.

*General Counsel Report*

Mr. Lindahl referenced the legislative update made earlier in the meeting.

Mr. Lindahl updated the Board on the proposed Aurora police pension plan and recommended the Board grant Mr. Slack approval to execute a finalized Memorandum of Understanding.

Ms. Hitchens moved the Board to authorize Dan Slack, as Executive Director, to give final approval of and to execute a Memorandum of Understanding with the City of Aurora concerning the Statewide Death and Disability Plan and the city's implementation of a hybrid pension plan for the Aurora Police Department. Ms. Morgan seconded the motion. The motion passed.

*Budget Variance Report*

Ms. Smith provided highlights from the Budget Variance Report that includes 2019 budget variances of greater than 5%, including explanations for specific item variances.

*Self-Directed Plan Committee Report*

Mr. Weule provided highlights from the February 27 Self-Directed Plans Committee meeting. On March 9, the index fund change was completed, replacing the Vanguard Index funds with the Fidelity Index funds. Fidelity provided their current understanding of the SECURE Act along with their thoughts on how the changes may

affect FPPA. The Committee reviewed and voted to approve the 2020 quarterly administrative asset-based fees, for which communications were sent to all members and employers.

Ms. Hitchens asked for an update on the research for tax-advantaged medical savings accounts. Mr. Slack summarized his initial research of the 401(h) plans, indicating that this type of plan is typically more suited for individual employers. Ms. Hitchens requested staff explore a voluntary employee benefit association plan (VEBA). Staff will report on their research at the next Board meeting.

### **Chair's report**

#### *Chair's report*

Chair Bomberger requested the Board members provide Mr. Slack and Ms. Fernandez any comments on the meeting, in anticipation that the next Board meeting will be held via Zoom video-conferencing. The Board may also have to consider an alternative to the June planning session.

At 9:44 a.m., Ms. Hitchens moved to adjourn the meeting. Mr. Phelan seconded the motion. The motion passed. The meeting adjourned.