

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

**January 28, 2021
7:30 a.m. via Zoom**

- 7:30 a.m. **Call to Order.** *Tammy Hitchens, Chair*
- 7:30 a.m. **Consent Calendar.** *Tammy Hitchens, Chair*
- a) Approval of December 9, 2020, Board meeting minutes
 - b) Posting Notice
 - c) Authority of Executive Director
 - d) Fort Morgan Old Hire Police Pension Plan amendment, 3% ad hoc COLA effective 1/1/2020 and again on 1/1/2021
 - e) Thornton Old Hire Fire Pension Plan amendment, \$150/month ad hoc COLA effective 1/1/2021
- 7:35 a.m. **Cambridge Market Update.** *Brian McDonnell, Cambridge Associates*
- 7:50 a.m. **Investment Report.** *Scott Simon*
- 8:10 a.m. **Environmental, Social & Governance (PRI Membership Consideration)**
Scott Simon and Brian McDonnell, Cambridge Associates
- 8:55 a.m. **Break**
- 9:05 a.m. **Staff Reports**
- a) Executive Staff Report. *Dan Slack*
 - b) General Counsel Report. *Kevin Lindahl*
 - c) 2020 in review. *Chip Weule*
- 9:35 a.m. **Chair's report.** *Tammy Hitchens, Chair*
- a) Evaluation of Executive Director
 - b) Other matters
- 10:20 a.m. **Adjournment**

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

<https://fppaco.zoom.us/j/96046326820?pwd=b0ZpdlAzMnhFNnp2a2lYzZVLMTZIUT09>

Meeting ID: 960 4632 6820

Passcode: 809989

One tap mobile

+16699009128,,96046326820#,,,,,0#,,809989# US (San Jose)

+12532158782,,96046326820#,,,,,0#,,809989# US (Tacoma)

Dial by your location

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 960 4632 6820

Passcode: 809989

Find your local number: <https://fppaco.zoom.us/u/adZFBxuOYS>

FIRE AND POLICE PENSION ASSOCIATION
Minutes – Board Meeting
January 28, 2020

This meeting was held online as a Zoom virtual meeting.

Board Members Present:

Chair Tammy Hitchens, Dave Bomberger, Mike Feeley, Karen Frame, Jason Mantas, Patrick Phelan, Guy Torres, Marisa Pacheco, and John Hoehler.

Staff Members Present:

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

Cambridge Associates Members Present: Brian McDonnell, Stuart Cameron and 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 7:32 a.m., Chair Hitchens called the meeting to order.

Consent Calendar

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

- Approval of December 9, 2020, Board meeting minutes.
- Posting Notice.
- Authority of Executive Director.
- Fort Morgan Old Hire Police Pension Plan amendment.
- Thornton Old Hire Fire Pension Plan amendment.

Chair Hitchens stated the December 9, 2020 minutes need to be amended to remove "Vice" from her title.

Mr. Bomberger moved to approve the Consent Calendar, as amended to remove "Vice" from the reference to Chair Hitchens. Mr. Phelan seconded the motion. The motion passed.

Cambridge Market Update

Mr. McDonnell presented the market update. Global markets returned 14.7% in the fourth quarter, making it the second best quarter of 2020. U.S. small cap was up 31-32% in the U.S. and value beat growth by 300 basis points. The U.S. Dollar sell-off continued in the fourth quarter, after years of a strengthening dollar. For example, EAFE was up 11.4% in local currency returns and was up 16.0% in USD returns. It was a quiet quarter for bonds, masking high single-digit gains for the year. TIPS outperformed in the back half of 2020. Natural resource equities bounced back. Gains were largely driven by multiple expansion.

Investment Report

Mr. Simon presented the investment report. The Long-Term Pool had a solid year, with preliminary performance showing a 12.93% return. Private equity was strong in the fourth quarter, being up 11%. Global equity in November and December was ahead of benchmark. Long-Short equity had a very strong year at 19%. Fixed Income - Rates is outperforming the benchmark at 8%. Asset Allocation shows a high allocation to cash in order to accommodate for the SRA payment at the beginning of 2021.

Mr. Simon reviewed the RVK peer survey with the board, stating it's the primary peer survey used to compare FPPA to other pension funds.

Environmental, Social & Governance

Mr. Simon presented an Environmental, Social & Governance (ESG) overview providing background, terms, focus, processes, and how investors implement ESG. Mr. Lindahl went over the Board's fiduciary responsibility with regard to ESG. Mr. McDonnell presented on the Principles for Responsible Investment, providing background on the principles and participation in that organization. In response to Mr. Torres' question, Mr. Lindahl stated there are a number of pension funds that have become signatories. In response to Chair Hitchens' question, Mr. Simon stated that there would be a need for FPPA to create an ESG policy.

Staff Reports

Mr. Slack presented the staff report, advising the Board they would be sent the annual Conflict of Interest form to complete and return. The Staffing and Compensation policy has been updated to reflect more clearly the relationship between the Executive Director and the Board.

Mr. Torres moved the Board to revise and accept the redline changes to the Staffing and Compensation policy. Ms. Frame seconded the motion. The motion passed.

Mr. Slack went over the educational events memorandum, stating most events continue to be virtual with the current exception of the Council of Institutional Investors meeting scheduled in Chicago in September.

Mr. Slack discussed the possibility of rescheduling the June strategic planning meeting due to Covid-19. The Board agreed to postpone the meeting to October or November 2021.

Mr. Slack went on to acknowledge Ms. Collins and her upcoming retirement, stating:

It has been my great pleasure to work with Kim over these last 12 years. That may sound like a long time, and it seems like a long time, but it's only a little over a fourth of the time that Kim has worked at FPPA. It is hard to imagine an FPPA without Kim Collins around to make sure the trains run on time. However, she has done an excellent job of succession planning, working with me, over the last few years and she is leaving us in a great place.

Kim has made sure that our financial reporting meets required standards—we have received the Government Finance Officers Association award for excellence in financial reporting every year for I don't know how long! Kim and her team, with Ahni right there, work hard to make sure that the board has accurate financial information so that the board members can properly execute their duties of oversight. Every year, Kim also accomplishes the "herding rabbits" task of getting a draft budget prepared and presented to the budget committee and to the board.

Kim has always coordinated with Mark and me our planning meetings with Security Pursuit, as well as many other aspects of information technology, to ensure that we are doing the best we possibly can to keep our systems, and the data they contain, secure.

In addition to all the diligent work Kim has accomplished, I will personally miss working with Kim very much. She has truly been a pleasure to get to know and to work with. She has been a friend in so many ways, and given me such great advice.

Mr. Lindahl provided the General Counsel report, directing the Board's attention to the Litigation Report. He noted there was a regulatory matter against Boeing that was recently resolved and disclosed additional information that supports FPPA's derivative action complaint. These additional facts warranted filing an amended complaint in the Boeing derivative litigation.

Mr. Weule presented the 2020 year in review report, highlighting the number of benefit calculations completed, payments processed, and virtual meetings held.

Mr. Weule also provided January 2021 member counts for those who retired under the Rule of 80. Calls continue to come in regarding purchase service requests and Rule of 80 eligibility and there is anticipation of increased retirement requests in 2021.

Chair's Report

Chair Hitchens requested to go into executive session to address personnel matters.

Mr. Phelan moved the Board to adjourn into executive session to discuss personnel matters regarding Dan Slack, Executive Director, as allowed under Section 24-6-402 (4)(f) of the Colorado Revised Statutes. Mr. Bomberger seconded the motion. The motion passed.

The Board came out of executive session. Chair Hitchens declared that no motions were made or passed and no actions were taken in executive session.

Mr. Bomberger moved that the Board approve a 3% salary increase, a 100% qualitative allocation from the incentive plan, and an additional \$5,000 bonus for Mr. Slack. Mr. Hoehler seconded the motion. The motion passed.

At 1:18 p.m., Chair Hitchens adjourned the meeting.