

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

March 2, 2023

- 7:30 a.m. **Call to Order.** *Guy Torres, Chair*
- 7:30 a.m. **Mission Moment.** *Chip Weule*
- 7:45 a.m. **Consent Calendar.** *Guy Torres, Chair*
Approval of the January 26, 2023, Board meeting minutes
Request for Permission to Amend Durango Old Hire Policemen's Pension Plan
Request for Permission to Amend Durango Old Hire Firemen's Pension Plan
- 7:45 a.m. **Cambridge Market Update.** *Brian McDonnell, Cambridge Associates*
- 8:05 a.m. **Investment Report.** *Scott Simon*
a) Monthly Report
b) ESG Update
- 8:35 a.m. **Statewide Retirement Plan: From Idea to Impementation.**
Executive Team
- 8:55 a.m. **Staff Reports.**
a) Executive staff report. *Kevin Lindahl*
b) Board Education Opportunities. *Kevin Lindahl*
c) General Counsel report. *Adam Franklin*
d) 2022 Budget Variance Report and Changes in Capital. *Ahni Smith*
e) Legislative Report. *Chip Weule*
- 9:10 a.m. **Chair's Report.**
a) Executive Director 2023 Goal Setting. *Guy Torres, Chair*
b) 2022 4th Quarter Board Score Card and 2022 Team Accomplishments
- 9:30 a.m. **BREAK**
- 9:45 a.m. **Board Education - Fixed Income, Garcia Hamilton** Gilbert Garcia, Managing Partner
- 10:30 a.m. **Consideration of Hearing Officer's Recommendation - In re: Jaeda Canizzaro - Confidential pursuant to C.R.S. 31-31-205**
- 11:30 a.m. **Adjournment - Boxed lunches provided**

**FIRE AND POLICE PENSION ASSOCIATION
Minutes – Board Meeting
March 2, 2023**

***This meeting was held at:
7979 E. Tufts Ave., 1st Floor Training Room, Denver, CO 80237**

Board Members Present:

Chair Guy Torres, Tammy Hitchens (by Zoom), Joan Brown, Karen Frame, Marisa Pacheco (by Zoom), and John Hoehler. Vice Chair Jason Mantas, Mike Feeley, and Patrick Phelan were excused.

Staff Members Present:

Kevin Lindahl, Adam Franklin, Jim Lubinski, Scott Simon, Ahni Smith, Chip Weule, Elaine Gorton, Kyle Geordan, Dale Martin, Bryce Murphy, Tim O’Connell, Salvador Lozano, Irina Nagy, Mike Sutherland, and Cheryl Jackson

Others Present: Brian McDonnell, Cambridge Associates; Gilbert Garcia and Jeffrey Detwiler, Garcia Hamilton; Jaeda & and Jeff Canizzaro.

Notice of this meeting and a copy of the agenda were posted on the FPPA website and at 7979 East Tufts Avenue, Denver, CO 80237, at least twenty-four hours prior to the meeting.

Call to Order

At 7:30 a.m., Chair Torres called the meeting to order.

Mission Moment

At 7:35a.m., the Executive Team shared FPPA Team’s successes during the last year.

Consent Calendar

At 7:50 a.m., Ms. Frame moved to approve the amendments to the Durango old hire pension plans. Ms. Brown seconded the motion. The motion passed. Approval of the January 26, 2023 was postponed to allow for further editing of minutes.

Cambridge Market Update

At 7:51 a.m., Mr. Cameron provided market updates. He mentioned the year is off to a relatively good start. Other highlights Mr. Cameron noted:

Diverging economic surprises has seen US GDP forecasts decline toward those of Europe; U.S. inflation continues to roll over; Lower growth and inflation has seen markets price in rate cuts; Treasuries started to perform on softer data, while Japan modified its Yield Curve Control; Softening Fed path has given valuation multiples a lift, sentiment remains depressed; Weaker economic growth has taken its toll on earnings and profit margins look stretched; Chinese and Eurozone equities have recently outperformed and credit has rebounded despite weakening fundamentals.

Investment Report

At 8:11 a.m., Mr. Simon presented the monthly Investment update report. Highlights: Investor optimism in January was largely driven by softening inflation in the U.S. and Europe, which shifted expectations to a more dovish path for central bank policy rates Risk assets broadly advanced in January, continuing their fourth quarter rally after a difficult 2022. Global equities excelled, gaining similarly across the United States, developed markets ex US, and emerging markets; however, when converted to a consistent currency, emerging markets and developed markets ex US outperformed on US dollar weakness. Growth topped value for the first time in six months, and small caps outpaced large-cap peers. Bond markets rallied as inflation continued to soften in many major economies. Real asset categories mostly gained, although commodity prices overall were flat. The US dollar slid for the fourth straight month, UK sterling mostly appreciated, and the Euro was mixed.

Mr. Simon also provided an update on ESG:

ESG Journey Board Governance Strategic Initiative for 2022-23

1. Journey begins (July 2022)

Focus on defining ESG and fiduciary duties

Discussion served as our annual fiduciary training

2. Proxy Voting, Securities Litigation, Industry Participation (Nov 2022)

Discuss our proxy voting policy and the parameters for our votes on public company issues that may affect long-term investment performance

Securities litigation and the role it plays in corporate governance

3. Investment Process (March 2023)

How can ESG principles be incorporated into our investment process

Discussion of various approaches to this issue

4. Statement on Divestment and Principles of Responsible Investing (PRI) policy:

The Board may want to adopt a Divestment policy and/or a policy that meets the Principles of Responsible Investing that describes how we incorporate ESG factors into investment decision-making

Mr. Simon shared the Asset Liability Study Timeline:

Capital Markets Expectations (March 2023)
Asset Class Educational Sessions (TBD)
Risk Tolerance Assessment (June 2023)
Asset Allocation Recommendation (September 2023)

Staff Reports

At 9:07 a.m., Mr. Lindahl provided the Executive Director update, including a briefing on FPPA's new CITO, Teresa Dupree. Mr. Lindahl also gave an update on Board education opportunities.

At 9:24 a.m., Mr. Franklin mentioned General Counsel updates were provided in writing. He noted there was a positive ruling in the Grand Canyon University litigation.

At 9:27 a.m., Ms. Smith provided highlights on the Budget Variance Report, comparing budgets to actuals and highlighting areas where there were significant overages or savings.

At 9:30 a.m., Mr. Weule gave a Legislative Report update, noting House Bill 1106 (FPPA non-compounding COLA) successfully passed out of House on Feb. 9th with a vote of 60/2 and was assigned to the Senate Finance Committee on February 10

At 9:32 a.m., Chair Torres called for a break.

Board Education - Fixed Income

At 9:46 a.m., Mr. Gilbert Garcia and Mr. Jeffrey Detwiler, from Garcia Hamilton presented a Board Education workshop on Fixed income.

At 10:32 a.m., Chair Torres called for a 5-minute break.

Consideration of Hearing Officer's Recommendation – Jaeda Canizzaro – Confidential pursuant to C.R.S. 31-31-205

At 10:38 a.m., Mr. Hoehler moved that the Board adjourn into Executive Session for the consideration of confidential member information as allowed under 24-6-402(4)(c) of the Colorado Revised Statutes. The Board will hear a disability appeal which involves member information that must be maintained as confidential under section 31-31-205 of the Colorado Revised Statues. Ms. Frame seconded the motion. The motion

passed.

At 11:46 a.m., Ms. Brown moved that the Board exit Executive Session. Mr. Hoehler seconded the motion. The motion passed.

At 11:47 a.m., Ms. Brown moved that the Board affirm the written Findings, Conclusions and Recommendations of the Hearing Officer regarding the matter of Ms. Canizzaro. Mr. Hoehler seconded the motion. The motion passed.

At 11:50 a.m., Mr. Hoehler motioned that the Board meeting be adjourned. Ms. Brown seconded the motion. The motion passed.