Call to Order

Approval of Record of Proceedings of March 8, 2019

Statewide Defined Benefit Plan supplemental study requests. Presenter: Dana Woolfrey, GRS Consulting

Discussion of Statewide Death & Disability Plan

Adjournment
FIRE AND POLICE PENSION ASSOCIATION
Record of Proceedings - Statewide Plans Task Force Meeting
April 5, 2019

FPPA Office
5290 DTC Parkway, Suite 100
Greenwood Village, CO

Statewide Plans Task Force members attending: Pam Feely, Todd Bower, Tyson Worrell, Dante Carbone, Derek Wheeler, Jesse Campion, Ken Watkins, Kevin Bommer, Laura Wachter, Michael Valdez (via phone), Patrick Phelan, and Tom DeMint.

Attending from FPPA: Dan Slack, Kevin Lindahl, Kim Collins, Chip Weule, Scott Simon, Austin Cooley, Steven Miller, Michael Sutherland, and Karen Moore.

Others attending: Karen Frame; Dana Woolfrey, GRS Retirement Consulting; and Bill Clayton, Lombard & Clayton.

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 7:35 a.m., Co-chair Bower called the meeting to order and welcomed the task force.

Approval of Record of Proceedings of March 8, 2019

Mr. Wheeler moved to approve the record of proceedings. Mr. Watkins seconded the motion. The motion passed.

Statewide Defined Benefit Plan supplemental study requests

At 7:38 a.m., Ms. Woolfrey presented the Statewide Defined Benefit Plan (SWDB Plan) projections requested by staff and task force members, beginning with the methodology used. Ms. Woolfrey explained DROP and the costs to the plan if members do not go into DROP at 55. Ms. Woolfrey then reviewed various scenarios that included increasing DROP from 5 years to 10 years and associated COLAs.

At 7:54 a.m., Mr. Cooley joined the meeting. Ms. Woolfrey reviewed a scenario with an additional benefit tier with benefits comparable to the PERA State Trooper benefits and reviewed how various multipliers impact the dollar amount of benefits.
Discussion on the Statewide Death & Disability Plan

At 8:04 a.m., Mr. Slack noted that the Statewide Death and Disability Plan (SWD&D Plan) brochure has been included in the meeting materials and then directed the task force to the SWD&D Plan Funding Solutions presentation located in the February 8 meeting materials at tab 9.

Mr. Slack reviewed the pension funding equation that must be followed and various types of funding solutions. Mr. Slack also discussed whether determining the state initially paid into the system was enough to pay for future disabilities of then current members would be useful to the task force. Mr. Slack cautioned that any benefit changes to the SWD&D Plan may have an unintended impact on the SWDB Plan. Mr. Slack also discussed the SWD&D Plan and SWDB Plan possibly sharing the responsibility of the death and disability benefit.

At 8:32 a.m., Co-chair Bower called for a break.

At 8:48 a.m., the meeting reconvened. Mr. Weule discussed some of Staff’s ideas to assist, but which would not solve, the funding issues, such as implementing more administrative efficiencies and reviewing rule and statute language for possible updates to assist in cost efficiencies.

Also, Staff will be implementing mental health and wellness initiatives. Messrs. Bommer and Clayton discussed the police officer mental health support grant program. FPPA may be eligible for a grant under the proposed bill. Staff is determining the departments with the top three highest number of disabilities and will be contacting those departments regarding possible preventive measures and training.

The task force discussed possible offsets between the SWD&D Plan and the SWDB Plan and the impact to both plans. Mr. Weule briefly explained how the benefits of those SWD&D members who do not participate in the SWDB Plan are calculated. Mr. Lindahl briefly explained the history of the SWD&D Plan.

The task force requested the following scenarios be provided for the next meeting:

1. When a member becomes disabled or deceased, move their cumulative contribution balance at the time of death or disability from SWDB Plan over to the SWD&D Plan (Ms. Woolfrey will provide the same scenario for the Statewide Hybrid Plan and Colorado Springs New Hire Plans).

2. Determine if the State initially provided adequate funding for the plans, also determine whether that funding was intended to cover the cost of COLAs.
3. In addition to the estimated one-time cost of $127 million to return the plan to 100% funded status, what contribution rate is needed to maintain the plan?

4. After the plan has been provided with adequate funding, model combining the SWDB and SWD&D Plans.

5. Determine the relative economic value to members of benefits from the SWDB plan and the SWD&D plan.

6. Model the SWD&D plan paying benefits until the member reaches retirement age, at which time a portion of the benefits would be paid by the SWDB plan.

The task force also discussed a possible experience rate where employers would benefit from less incidence of disabilities among their employees, and a different benefit (besides tax status) for off-duty versus on-duty disabilities. Staff will work with interested task force members to determine if there is an equitable way to determine contributions by usage or payroll.

At 9:40 a.m., Mr. Valdez disconnected from the call.

At 10:01 a.m., Mr. Bommer left the meeting.

At 10:07 a.m., Co-chair Bower declared the meeting adjourned.