

***Statewide Plans Task Force
Fire & Police Pension Association
Meeting Agenda***

May 10, 2019
7:30 a.m.

Call to Order

Approval of Record of Proceedings of April 19, 2019

Response to Statewide Death & Disability Plan question. *Presenter: Chip Weule and Dana Woolfrey, GRS Consulting*

Statewide Defined Benefit Plan scenarios presentation. *Presenter: Dana Woolfrey, GRS Consulting*

Discussion of plan options

Adjournment

FIRE AND POLICE PENSION ASSOCIATION
Record of Proceedings - Statewide Plans Task Force Meeting
May 10, 2019

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

Statewide Plans Task Force members attending: Pam Feely, Todd Bower, Tyson Worrell, Bella Trujillo (via phone), Derek Wheeler, Jesse Campion, Ken Watkins (via phone), Kerry George (via phone), Laura Wachter, Michael Valdez, Mike Frainier, Phil Cordova, and Tom DeMint (via phone).

Attending from FPPA: Dan Slack, Kevin Lindahl, Kim Collins, Chip Weule, Scott Simon, Ahni Smith, Michael Sutherland, and Karen Moore.

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

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 7:31 a.m., Co-chair Bower called the meeting to order and asked for a moment of silence for the STEM School.

Approval of Record of Proceedings of April 19, 2019

Mr. Campion moved to approve the record of proceedings. Lt. Frainier seconded the motion. The motion passed.

Response to Statewide Death & Disability Plan question

Co-Chair Bower introduced Mr. Newton to the task force. Ms. Woolfrey presented the Statewide Death and Disability Plan (SWD&D Plan) entry age distribution and explained the associated costs to the plan, as requested by the task force.

Mr. Valdez joined the meeting.

Mr. Weule presented the average service at disability retirement as a percentage of current active membership and explained how the data was derived. Ms. Woolfrey reviewed the entry age distribution.

Statewide Defined Benefit Plan scenarios presentation

At 7:45 a.m., Ms. Woolfrey presented the three Statewide Defined Benefit Plan (SWDB Plan) scenarios requested by the task force.

The first scenario included the rule of 80, a 10-year vesting and 5-year highest average salary period for new hires, a 3-year COLA delay, 10-year DROP period, an actuarially determined target COLA (limited to 1.5%), and DC contributions as available based on the target COLA. Ms. Woolfrey reviewed the impact of these changes to the plan.

At 8:00 a.m., Chief Watkins dropped off the call.

Ms. Woolfrey presented the second scenario that included two significant changes from the first scenario. This scenario included the rule of 75 and an increase to benefit multiplier of 2.5% for all years.

Ms. Woolfrey presented the third scenario that included the rule of 75, 10-year vesting, 10-year DROP period, an actuarially determined target COLA, and additional contributions of 8 or 10% over 12 years, but no change to the benefit multiplier and no change to the highest salary.

At 8:16 a.m., Co-Chair Bower called for a break.

At 8:31 a.m., the meeting reconvened. Mr. Weule pulled up the decision sheets located at tab 5 of meeting materials. Chief Watkins rejoined the call off and on as he lost connection during his travel.

The task force discussed and agreed to continue to consider an implementation period for contributions and an increase to the number of years included in the Highest Annual Salary to be proposed to the Board.

The task force considered and agreed to *omit* a COLA delay and a longer vesting schedule for new hires from the proposal to the Board.

At 8:47 a.m., Mr. Worrell joined the meeting.

The task force discussed and agreed to continue to consider a change to DROP eligible years and contributions to a DC account.

The task force reviewed and discussed sources of funding, including the contribution levels reported in the 2019 NCPERs Public Retirement System Study, previously provided to the task force at the February 8 meeting at tab 3.

The task force reviewed and discussed plan costs, including that gathered by NASRA and previously provided to the task force at the March 8 meeting at tab 3. Mr. Newton opined that FPPA is extremely below the median of contributions reported in the NASRA study.

The Co-Chairs provided Chief DeMint with a brief review of the decisions on a possible proposal to the Board that were covered when he was dropped from the call.

At 9:35 a.m., Co-chair Bower called for a break.

At 9:41 a.m., the meeting reconvened. The task force reviewed the benefit rollbacks and plan safeguards, including those at slide 6 of tab 2 of the January 7 meeting materials.

Next, the task force discussed COLAs and reviewed the scenario presented by GRS during the March 8 meeting, at tab 4, slides 5 and 7 of the meeting material.

At 10:38 a.m., Chief DeMint disconnected from call.

The task force discussed and agreed to continue to consider a change to the target for an ad hoc COLA from 3% to a lower percentage.

Co-chair Bower called for a break at 10:58 a.m. Mr. Campion left meeting.

At 11:07 a.m., the meeting reconvened.

The task force considered and tentatively *agreed to omit* a change to the benefit multiplier for future hires.

The task force then discussed and agreed to continue to consider adoption of the rule of 80 beginning at age 50 for an unreduced retirement age and agreed to *omit* the rule of 75 as a possible option.

At 11:44 a.m., Mr. Clayton left the meeting.

Staff and GRS will remove the options removed from consideration by the task force today and will update the scenarios accordingly for the next meeting.

At 11:48 a.m., Co-chair Bower declared the meeting adjourned.