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**FIRE & POLICE PENSION ASSOCIATION OF COLORADO (FPPA)
EXECUTIVE DIRECTOR**

POSITION SPECIFICATIONS

CLIENT

Established in 1980 by statute, the **Fire & Police Pension Association of Colorado (FPPA or “the Association”)** administers retirement and disability benefits for police officers and firefighters throughout the State of Colorado. **FPPA** has defined benefit, defined contribution, hybrid and 457 deferred compensation plans for the benefit of its members. **FPPA’s** defined benefit programs include cost-sharing multiple-employer pension plans as well as agent multiple-employer pension plans and single-employer pension plans.

FPPA is governed by a nine-member **Board of Directors** appointed by the Governor and confirmed by the Senate to serve four-year staggered terms. In 2010, legislation was passed to extend the term of the retired member position of the **Board** to a six-year term. The **Board** is comprised of members representing Colorado municipal employers, full-time paid firefighters, full-time paid police officers, a representative from a special district, the state’s financial or business community, and a retired firefighter or police officer (this position rotates between a firefighter and a police officer every six years).

FPPA administers two funds: the Fire & Police Members’ Benefit Investment Fund (\$6.935 billion as of December 31, 2020) and the Fire & Police Members’ Self-Directed Investment Fund \$618 million as of December 31, 2020), collectively known as the “funds”. The Fire & Police Members’ Benefit Investment Fund is comprised of three asset pools:

- Long-Term Pool: Designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.
- Glide-Path Pool: Designed for plans that need to transition over time from the Long-Term Pool to the Short-Term Pool. The investment return assumption is 6.5%.

- Short-Term Pool: Designed primarily for closed plans with a shorter time horizon, lower risk tolerance and higher liquidity needs. The investment return assumption is 4.5%.

The Fire & Police Members’ Benefit Investment Fund includes the assets of those plans that fall under the complete investment authority of the **FPPA Board of Directors**. The Board authorizes which asset pool each of the plans will participate in. This fund includes the assets of the Defined Benefit System, the Statewide Death & Disability Plan, and Affiliated Local Plans. The Defined Benefit System comprises the Statewide Defined Benefit Plan, the Statewide Hybrid Plan, and the Colorado Springs New Hire Pension Plan. Affiliated Local Plans comprises numerous separate Local “Old Hire” police and fire plans and Volunteer Firefighter pension plans. The “Old Hire” plans are for members hired prior to April 8, 1978. The Long-Term Pool achieved a time-weighted return of 13.59%, net of fees, for the one-year period ending December 31, 2020. Since inception in 1980, the Long-Term Pool has achieved a 9.47% annualized return.

The **FPPA Board** has established investment policies and objectives to define acceptable levels of risk, asset allocation targets, asset class guidelines, investment performance objectives, and other guidelines governing the management of the Fire & Police Members’ Benefit Investment Fund. Cambridge Associates serves as **FPPA’s** investment consultant for the Benefit Investment Fund. By pool, the actual allocation by asset class as of December 31, 2020 was as follows:

	<u>Long-Term Pool</u>	<u>Glide-Path Pool</u>	<u>Short-Term Pool</u>
Global Equity	39.6%	18.2%	10.7%
Equity Long/Short	8.0%	6.9%	
Fixed Income - Rates	8.7%	31.9%	70.1%
Fixed Income – Credit	4.4%	7.1%	11.8%
Absolute Return	9.9%	6.1%	
Private Markets	24.0%	26.8%	
Cash	5.4%	3.0%	7.4%

The Fire & Police Members’ Self-Directed Investment Fund consists of the asset of plans where members control their account by choosing from various mutual fund options selected by the Self-Directed Plans Committee pursuant to the fund structure approved by the **FPPA Board** or other member-selected investment options available through a Self-Directed Brokerage Account administered by **FPPA’s** record keeper, Fidelity Investments. This fund includes the assets in the Fire & Police Members’ Statewide Money Purchase Plan and the FPPA Multi-Employer Deferred Compensation Plan. In addition, this fund includes assets of certain Deferred Retirement Option Plans (DROP) with the Defined Benefit System and affiliated Local “Old Hire” pension plans. It also includes the Money Purchase component of the Defined Benefit System – Statewide Hybrid Plan and the Separate Retirement Account assets from eligible Defined Benefit System retired members. AndCo Consulting serves as **FPPA’s** investment consultant for the Self-Directed Investment Fund.

Each pension plan administered by **FPPA** must be separately funded. Assets from one plan cannot be used to pay the benefit obligations of any other plan. Therefore, the funded status of each individual plan must be judged separately. As of January 1, 2020,

the funded status for each of the plans in the Defined Benefit System and the Statewide Death & Disability Plan were as follows:

Statewide Death & Disability Plan	72.2%
Defined Benefit System	
Statewide Defined Benefit Plan	97.6%
Statewide Hybrid Plan-Defined Benefit Component	126.9%
Colorado Springs-New Hire-Police Component	83.1%
Colorado Springs-New Hire-Fire Component	78.4%

The Affiliated Local Plans and the Colorado Springs New Hire Pension Plan for both Police and Fire, are plans for which **FPPA** has been asked to and has undertaken investment and recordkeeping responsibility, but are not plans for which **FPPA** has determined or set the benefits or the funding policy. Funding for pension liabilities for Affiliated Local Plans is the responsibility of the employers. Funding for the Colorado Springs New Hire Pension Plan, again for both Police and Fire, is the responsibility of active members and the employer. **FPPA's** actuarial consultant is Gabriel Roeder Smith & Co.

As of December 31, 2020, there were 221 participating employer fire and police departments and 12,466 total members of the Statewide Defined Benefit Plan. As of this same date, there were 42 participating employers and 651 members of the Statewide Hybrid Plan. Membership in the Colorado Springs New Hire Pension Plan is comprised of 877 police officers and firefighters. The Affiliated Local Plans includes 215 different local plans representing approximately 9,000 members, including volunteer firefighter members.

FPPA employs a staff of 58. Its offices are located in Greenwood Village, CO, a suburb of Denver. It is expected that staff will be returning to work in the office just after Labor Day. **FPPA** anticipates moving into new office space, likely in the same general vicinity, during the first half of 2022. In addition to this physical move, **FPPA** will also be recommending legislative changes during the next session to create a Statewide Retirement Plan with multiple components. **FPPA's** current annual operating budget, net of investment manager fees, is \$9.2 million.

FPPA has adopted the following mission statement:

The Fire & Police Pension Association of Colorado is committed to our members. We will prudently invest their retirement funds, administer benefits impartially, and efficiently provide high quality service

For more information about **FPPA**, please visit the websites at www.fppaco.org and www.forwardwithfppa.org.

RESPONSIBILITIES

The **Executive Director** reports directly to the **Board** and serves as the chief executive officer of **FPPA**. As such, the **Executive Director** is granted authority to manage the day-to-day activities of the **FPPA** and serves as the primary advisor to the **Board**, enabling

them to fulfill their fiduciary responsibilities. Direct reports to the **Executive Director** are: the Deputy Executive Director and General Counsel, the Chief Benefits Officer, the Chief Investment Officer, the Chief Operations Officer, the Chief Information Officer, the Human Resources Officer, and an Executive Assistant.

Essential Duties and Responsibilities include:

- Works closely with the **Board** on key policy, legislative, and governance matters;
- Serves as the official spokesperson for **FPPA**;
- Provides leadership to **FPPA** by carefully designing and recommending to the **Board** a long-range strategic plan and annual operating plans for each division using **FPPA's** mission, vision and values to help guide decision making;
- Safeguards the assets of **FPPA** by implementing proper internal controls and monitoring the activities of custodial banks;
- Proactively cultivates and maintains strong rapport and trust-based relationships with members, retirees, related organizations, participating employers, the legislature, state officials, the media, and the general public;
- Accounts for and is responsible for the collection, maintenance and distribution of **FPPA's** data and income;
- Ensures staff cooperation with annual audits of **FPPA**, as initiated by the **Board's Audit Committee**;
- Monitors the funded status of the benefit plans and programs under **FPPA**;
- Oversees the initiation of actuarial valuations and experience studies as required by State law and **Board** policy;
- Assists the **Board** in reviewing and adopting actuarial assumptions and funding methods for **FPPA**;
- Explores and recommends changes to the benefit structure, as appropriate;
- Ensures accurate and timely communication and delivery of benefits in accordance with State law and **FPPA** policies;
- Drives high level customer service through the **Association**;
- Maintains a process for handling member and employer appeals of staff decisions or statutory interpretations;
- Assists the **Board** and Chief Investment Officer in developing policies and procedures for the prudent investment of **FPPA** assets;
- Manages investments in accordance with **Board** policies and decisions;
- Develops and recommends to the **Board** an annual operating budget, manages expenditures within the approved budget and reports to the **Board**, as requested;
- Oversees the preparation of the **FPPA** comprehensive annual financial report;
- Assists the **Board** in soliciting proposals and selecting outside service providers;
- Selects and manages **FPPA** staff in accordance with applicable laws and internal personnel policies;
- Organizes an executive team and performs annual performance evaluations for all direct reports;
- Serves as a liaison between the **Board** and the **FPPA** staff and the outside service providers;
- Reports to the Pension Review Commission, or its successor, annually, and to other legislative committees as requested;
- Performs other duties delegated by the **Board** that are consistent with the role and purpose of **FPPA**.

EDUCATION AND EXPERIENCE

- Bachelor's degree with major course work in business, economics, and/or communications; graduate degree in law, public or business administration or a related field is preferred
- Substantial (ideally 8 or more years) progressively responsible management experience ideally in a public pension system, government agency, or other high-touch customer service-oriented field with at least 4 years in an executive or upper management capacity
- Demonstrated knowledge of federal and state pension laws, governmental accounting, auditing, finance, and benefit administration
- Experience working for and with a board; understanding of the appropriate roles and responsibilities of the **Board**, the **Executive Director** and staff
- A track record of leadership promoting a welcoming, diverse and inclusive workplace culture
- Technological savvy to make the best use of technology to provide effective and efficient service to participating employers, members, retirees, and beneficiaries
- Working knowledge of institutional investment concepts and principles in relation to a significant pool of assets
- Working knowledge of actuarial concepts
- Experience with or general awareness of the legislative process and working/interacting with elected officials
- Ability to travel as needed

PERSONAL CHARACTERISTICS

- Outstanding communication skills, to include verbal, written, listening, and presentation skills
- Strong interpersonal skills; ability to establish and maintain effective working relationships with management, staff, **Board** members, elected officials, and the public
- Collaborative, accessible, engaged, and present, as necessary, with team members and other stakeholders
- Demonstrates professionalism, tact, impartiality, and fairness with all constituents
- Excellent organizational skills to achieve effective and efficient operations; ability to balance and administer multiple responsibilities effectively
- Able to make rational, intelligent, thoughtful, and often difficult decisions on a timely basis; exercises independent judgment and discretion
- Flexible and adaptable to a variety of people and styles
- Open minded; welcomes and actively considers alternative viewpoints

COMPENSATION

The compensation for this position is a mixture of base salary plus incentive compensation with total cash earnings between \$201K - \$366K annually depending upon experience and performance. Includes group medical, dental, vision, 401K, 457, defined benefit through Colorado PERA, life insurance and long-term disability.

APPLICATION PROCESS

EFL Associates, an executive search firm, is assisting **FPPA** with this important search. All calls and inquiries should be made through the search firm. Referrals and applications will be held in confidence. Review of applications will begin immediately and will continue until the position is filled.

NON-DISCRIMINATION

Our client and EFL Associates firmly support the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, sexual orientation, creed, national origin, disability, veteran status or any other protected category pursuant to applicable federal, state or local law.

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