Fire & Police Pension Association of Colorado

Statewide Retirement Plan

COLA Task Force Charter

1. Purpose and Background

The Fire & Police Pension Association of Colorado ("FPPA") Board of Directors (the "Board") is establishing the Statewide Retirement Plan ("SRP") COLA Task Force (the "Task Force") to bring together Board representatives, Members, both actives and retirees, Employers and FPPA staff, in a structured, good-faith dialogue regarding Cost-of-Living Adjustments ("COLAs") paid from the SRP.

This Charter serves as the touchstone document for the Task Force. It establishes the common ground rules, guiding principles, and objectives that will root and guide the Task Force's work, and it defines how the Task Force will operate and report to the Board. The Charter does not itself decide any COLA policy question; it exists to ensure that whatever options and trade-offs the Task Force ultimately identifies are developed within a shared, agreed-upon framework.

As the plan was adopted by the legislature, the SRP does not guarantee or promise any specific COLA — COLAs remain discretionary and subject to the Board's fiduciary duty under the SRP's governing statute. Where members may disagree is on the harder questions: how much of a COLA should be paid, when, to whom, and — if a COLA is ever over-promised relative to the SRP's funded status — who bears the impact and who would be required to contribute more to correct it. The purpose of the Task Force is to explore these questions openly and bring forward well-informed options and trade-offs for the Board's consideration, not to resolve them unilaterally.

2. Guiding Foundation

The Task Force's work is rooted in FPPA's established strategic anchors, which serve as the foundation for decision-making across the organization. Every option, analysis, and recommendation the Task Force develops should be evaluated against these anchors:

- **Maintaining a Well-Funded Status —** preserving the long-term financial health of the SRP, including fair and stable benefits, sound investment returns, and prudent management of contributions and assets.
- **Proactive Risk Management —** identifying and thoughtfully managing the risks associated with benefit adjustments, including actuarial, funding, and intergenerational risk, before they become crises.
- **Being Trustworthy —** protecting FPPA's relationships and reputation with all stakeholders — active members, retirees, Employers, and the public — through transparency, education, and high-touch communication.

In addition to these strategic anchors, the Task Force's work is bound by the legal and fiduciary obligations that the Board and FPPA staff owe to SRP Members and beneficiaries. These duties apply to every option the Task Force considers and every recommendation it brings forward:

- **Duty of Loyalty —** acting solely in the best interests of SRP Members and beneficiaries as a whole.
- **Duty of Impartiality —** dealing fairly and impartially among all classes of beneficiaries, including current active members, current retirees, and future members, when their interests may diverge.
- **Duty of Prudence —** exercising the care, skill, and caution that a prudent fiduciary would exercise, considering the SRP's purposes, funded status, and long-term sustainability.

3. Shared Ground: Concepts Generally Agreed Upon

While Task Force members may disagree on the specifics of COLA amount, timing, and allocation of risk, the following concepts are generally agreed upon and will serve as shared starting points for the Task Force's discussions. These are not conclusions that foreclose further analysis — the Task Force may test, refine, or revisit them as data and discussion warrant — but they represent the common ground from which the work begins:

- Compounded COLAs are preferred to other forms of benefit adjustment (such as one-time, non-compounding payments), when the SRP's funded status can support them.
- The SRP should not create a new, lesser tier of benefits as a means of addressing COLA funding concerns.
- Intergenerational equity — fairness among current active members, current retirees, and future members — is a critical consideration in any COLA recommendation, particularly given that different member groups have paid different contribution rates over time and that some generations of members have received supplementary separate retirement accounts.

4. Scope and Objectives

Scope: The Task Force's work is scoped exclusively to COLA policy for the Statewide Retirement Plan. Matters relating to other FPPA-affiliated plans, benefit provisions unrelated to COLA, or SRP matters outside the COLA context are outside the Task Force's scope unless the Board expressly directs otherwise.

Objectives: The Task Force is charged with:

1. Reviewing relevant actuarial, financial, and demographic analysis regarding the SRP's funded status and the sustainability of current and alternative COLA approaches.
2. Discussing the perspectives and interests of active members, retirees, and employers as they relate to COLA amount, timing, and eligibility.
3. Examining how different COLA approaches would affect intergenerational equity and the allocation of funding risk among stakeholder groups.
4. Surfacing a range of options and associated trade-offs — rather than a single consensus recommendation — for the Board's consideration, given that unanimous agreement among Task Force members on these questions is unlikely.
5. Grounding all discussion and options in FPPA's strategic anchors and fiduciary duties described in Section 2.

5. Governance and Authority

The Task Force is advisory only. It has no authority to adopt, amend, or bind the Board or FPPA to any COLA policy, benefit change, or funding decision. All authority to determine COLA policy for the SRP remains with the Board, consistent with C.R.S. § 31-31.5-410 and the Board's fiduciary responsibilities.

The Task Force will be led by co-chairs appointed by the Board Chair. Task Force membership is set out in Exhibit A to this Charter. Because membership may change over time, Exhibit A — rather than the body of this Charter — will be updated to reflect the current roster, and such updates do not require re-adoption of this Charter.

Reporting: The Task Force co-chairs will report to the full Board at Board meetings, bringing forward any recommendations, options, or trade-offs developed by the Task Force for the Board's consideration and discussion.

6. Decision-Making Approach

Given the range of perspectives represented and the acknowledged likelihood that Task Force members will not reach unanimous agreement on COLA amount, timing, allocation, or risk-bearing, the Task Force will not operate on a consensus or voting model. Instead, the Task Force's role is to surface the range of options and associated trade-offs — including areas of disagreement and the reasoning behind differing viewpoints — for the Board to weigh and decide. Where members hold differing views on a given option, those differing views should be documented and presented to the Board alongside the option itself, rather than resolved or suppressed within the Task Force.

7. Meetings and Timeline

The Task Force will hold its first organizational meeting in September 2026, with subsequent meetings held on an ad hoc basis as needed to review analysis, discuss findings, and develop options — rather than on a fixed recurring schedule. The Task Force is expected to remain active for at least one year given the complexity of the issues involved and the analysis required (including independent actuarial review of the SRP's COLA structure).

This Charter does not establish a fixed end date or sunset provision for the Task Force. The Task Force will continue its work until the Board determines its objectives have been sufficiently addressed or otherwise directs that the Task Force be concluded.

8. Transparency and Communications

Task Force materials and discussions are presumed public, consistent with FPPA's commitment to transparency with its members, retirees, employers, and other stakeholders, unless a specific matter is otherwise designated as confidential (for example, by the Board, General Counsel, or applicable law). Task Force co-chairs and staff liaisons should use judgment in flagging any such exceptions as they arise.

9. Adoption

This Charter is submitted to the FPPA Board of Directors for review and adoption as the governing charter of the Statewide Retirement Plan COLA Task Force.

Adopted by the FPPA Board of Directors this 20th day of August, 2026.

Exhibit A: Task Force Membership

This Exhibit lists the current Task Force co-chairs and members. This Exhibit may be updated by FPPA staff to reflect changes in membership over time without requiring re-adoption of the Charter.

Co-Chairs

- Bill Clayton, Board Member
- Don Lombardi, Board Member

Members

- Sherryl Dillon — Executive Director, Colorado Springs Police Protective Agency (CSPPA)
- Lindsay Wiley — Deputy Administrator, Montrose Fire (Employer Representative)
- Jennifer Steck — Denver Police Retiree Group
- Ian Culverhouse — Denver Police Retiree Group
- Henry Jones — Retiree, Denver Police
- Jason Berglund — Active Member, South Metro (SRP re-entry)
- Michael Deedon — President, State FOP; Active Police Member, Broomfield Police
- Jon Beattie — Active Member, West Metro
- Derek Wheeler — Active Member, Colorado Springs Fire
- Kevin Reichenbach — President, Colorado Professional Fire Fighters (CPFF); Active Firefighter, West Metro
- Frank Kerber — Active Member and Representative, Denver Police Protective Association
- TJ (Tab) Davis — Active Member, Denver Police
- Angelo Abeita — Denver Police (retiring)
- Troy Ortega — Sergeant (Retired), Denver Police
- Elizabeth Haskell — Lobbyist, Colorado Municipal League (CML)
- Ann Terry — Executive Director, Special Districts Association
- Megan Wagner — Governmental Affairs Manager, Special Districts Association
- Dan Durkee — Chief, Platteville-Gilcrest Fire
- Ken Watkins — Executive Director, Colorado State Fire Chiefs (Retired Grand Junction Fire Chief)
- Scott Rogers — Retiree, West Metro
- Kerry George — Assistant Finance Director, City of Colorado Springs (Employer)
- Cynthia Teagarden — Payroll and Pension Supervisor, Colorado Springs
- Laura Hall — Pension Plan Administrator, Denver (Employer Representative)
- Joey Lechuga — Active Member, Poudre Fire
- Eric Tade- Denver Fire

FPPA Staff and Advisory Support

- Kevin Lindahl, Executive Director, FPPA
- Adam Franklin, Deputy Executive Director, FPPA
- Scott Simon, Chief Investment Officer, FPPA
- Chip Weule, Chief Benefits Officer, FPPA
- Ahni Smith, Chief Operations Officer, FPPA

- Kevin Gallaway, General Counsel, FPPA
- Andrea Koelzer, FPPA Staff Liaison, FPPA
- Dana Woolfrey, Actuary, GRS Consulting
- Joe Newton, Actuary, GRS Consulting