FIRE AND POLICE PENSION ASSOCIATION
BOARD OF DIRECTORS
February 24, 2011
Agenda

Time	Agenda item
7:30 a.m.	**Call to order** • Approval of January 20, 2011 Board Meeting Minutes • Approval of January 20, 2011 Executive Session Minutes
7:35 a.m.	**Investment Risk Committee report**
7:40 a.m.	**International Small Cap Equity Recommendation** Driehaus Capital Management *David Mouser, Co-Portfolio Manager* *Steve Weber, Senior Vice President*
8:45 a.m.	**Annual Investment Allocation Review &** **Annual Commitment Pacing Recommendation** *FPPA Investment Staff* *Pension Consulting Alliance*
9:45 a.m.	**Break**
10:00 a.m.	**Private Equity Annual Review** Hamilton Lane *Tara Blackburn* *Michael Augustine*
11:00 a.m.	**Investment report** 1. Review of December and January 2011 performance 2. Review of managers 3. Rebalancing Activity 4. Other matters
11:30 a.m.	**FPPA Quarterly Investment Report (4Q 2010)** **Investment Market Risk Metrics Report** *Pension Consulting Alliance*
12:00 p.m.	**Legal report** 1. Litigation 2. Legislation 3. Other matters

12:15 p.m. **Staff report**

1. CEO report
2. Elk Creek FPD – staff request for issuance of subpoena
3. 2011 Supplemental Actuarial Studies
4. Other matters

12:45 p.m. **Chairman's report**

1. Conference Evaluation Forms
    - *VIP Conference – Leo Johnson*
2. Other matters

1:00 p.m. **Adjourn and Lunch**

Fire and Police Pension Association
Minutes – Board of Directors Meeting
February 24, 2011

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

Board Members Present: Chairman Tim Nash, Vice Chairman Kirk Miller, Leo Johnson, Lyle Hesalroad, Cliff Stanton, Todd Bower.

Board Members Absent:

Board Members Nominated pending Senate Confirmation: Jack Blumenthal and Sue Eaton: Present. Monica Cortez Sangster: excused.

Staff Members Present: Dan Slack, Kevin Lindahl, Scott Simon, Gina McGrail, Kim Collins, Austin Cooley, Jeff Kaszubowski, Sean Ross and Janette Hester.

Guests: Neil Rue and John Linder, Pension Consulting Alliance (PCA); David Mouser and Steve Weber, Driehaus Capital Management; Tara Blackburn and Michael Augustine, Hamilton Lane.

Notice of this meeting and a copy of the agenda were posted in the building lobby of the FPPA office and on the FPPA website at least twenty-four hours prior to the meeting.

At 7:31 a.m., Chairman Tim Nash called the meeting to order. Chairman Nash asked FPPA General Counsel Kevin Lindahl to present an update on the pending re-nomination process of three current board members: Monica Cortez-Sangster, Sue Eaton and Jack Blumenthal. Mr. Lindahl reported that these three appointments were made outside the legislative session by Governor Ritter in the fall of 2010. Mr. Lindahl noted that, according to state statute, those appointees may continue to serve as board members until confirmation by the Senate, which shall occur no later than 30 days after the beginning of the next legislative session. The 30 days' limitation would have occurred on February 12, 2011. FPPA statutes state that, if nominations are not confirmed on a timely basis, the nominations are void. When Governor Hickenlooper took office, he asked that the Senate not confirm any nominations made by the previous administration until he had time to review them. Governor Hickenlooper recently released the hold on the three pending FPPA re-nominations. Governor Hickenlooper's staff noted that these nominations will go forward to the Senate as Governor Ritter's nominations.
Mr. Lindahl reported the Senate confirmation hearings for the three FPPA board members will occur on Wednesday, March 2, 2011, at 1:30 p.m. Mr. Lindahl's recommendation to the board at today's board meeting is to allow the three nominees to participate in discussions at today's meeting but that they should not vote on any business considered by the board to avoid any future challenge to the

validity of any board actions taken today. He answered questions from the board. It was the consensus of the board to allow participation by Jack Blumenthal and Sue Eaton as citizens but that they abstain from voting on any motion to come before the board. Mr. Blumenthal and Ms. Eaton noted their agreement with this decision. Ms. Cortez-Sangster was not present at the meeting.

Chairman Nash noted there was a quorum present and called for motions to approve the minutes. Leo Johnson moved to approve the January 20, 2011, board meeting minutes. Todd Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal, Ms. Eaton and Lyle Hesalroad abstained from voting.

Mr. Johnson moved to approve the January 20, 2011, executive session minutes. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal, Ms. Eaton and Mr. Hesalroad abstained.

Investment Risk Committee Report

Investment Risk Committee (IRC) Chairman Bower referred the board to summaries provided in the board packet of three IRC meetings held via webcast. Mr. Bower stated that the details and background of all materials presented to the IRC were available on the board website for review. Mr. Bower and Cliff Stanton commended FPPA staff and PCA with their quick response in the current investment environment and their adaption to the new investment strategy. He answered questions from the board. John Linder suggested a correction to the summary of the February 16, 2011, IRC meeting, noting that PCA was unable to attend the webcast because of a scheduling conflict. He noted for the record that PCA supports staff's recommendation made at that meeting.

International Small Cap Equity Manager Recommendation

Scott Simon presented a memorandum regarding staff's recommendation of Driehaus Capital Management (DCM) as an international small cap equity manager. He reviewed the transition steps that have been taken to date towards a global equity portfolio, which included the hiring of Walter Scott as large cap global manager , J.P. Morgan for emerging markets, and today's recommendation to hire DCM as an international small cap manager. The next step will be to assess domestic U.S. small cap managers. He noted that the manager recommendation was presented to and supported by the Investment Risk Committee.

Sean Ross provided background information on the screening methodology used to identify appropriate managers and the criteria used to name a short list of candidates. Mr. Ross reported that DCM and Mondrian were identified as finalist candidates and staff conducted on-site due diligence with both firms. Mr. Ross reported that a review of expectations for this sub-asset class and a portfolio construction analysis determined that DCM would be a better fit for the FPPA investment strategy. Mr. Ross reviewed the DCM organizational chart and the DCM investment philosophy. He reviewed staff's analysis of risk factors and the fee structure. Mr. Simon, Mr. Ross, Mr. Linder and Neil Rue answered questions from the board.

Driehaus Capital Management Presentation

Mr. Simon introduced David Mouser and Steve Weber, who presented an overview of Driehaus Capital Management. Mr. Mouser and Mr. Weber reviewed the firm's investment management team structure, research and selection approach, risk management, technology resources used by managers/analysts, and the small cap strategy influencing portfolio construction. Mr. Mouser and Mr. Weber answered questions from the board, staff and PCA consultants. They concluded their presentation and left the meeting. Mr. Simon requested board approval to hire DCM as an international small cap manager.

Mr. Johnson moved to approve hiring Driehaus Capital Management LLC (DCM) as an international small cap manager in the amount of $70 million, pending final review of legal documents, determination of best method of asset transition, and appropriate date of transition. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal and Ms. Eaton abstained.

Annual Investment Allocation Review & Annual Commitment Pacing Recommendation

Mr. Simon provided background information regarding the annual asset allocation review. He stated that at a minimum of every 5 years FPPA conducts a full asset liability study and the last study was completed in the 2009. Mr. Simon stated that, in compliance with the Master Statement of Investment Policy, FPPA conducts an annual review of capital market assumptions and assesses operational and risk constraints in making a recommendation of interim target allocations in between major studies. He reported that staff and PCA have worked on models and assumptions, and while the expected 8% annual return is still achievable, the current expected return environment lowers the probability of hitting the expected return over the long-term. Mr. Simon noted that, due primarily to lower interest rates affecting fixed income, the possibility of not achieving the expected annual return rate exists. Mr. Simon noted that an actuarial experience study will be completed in 2011 and this report will provide the basis for considering any changes to economic assumptions.

Austin Cooley provided an update of the 2011 asset allocation review process and reviewed the proposed 2011 interim asset allocation targets and the proposed capital commitment pacing plan. He reported that staff is comfortable with the long-term strategic asset allocation and recommends no change at this time.

Mr. Cooley provided a comparison chart showing the 2009 long-term asset allocation targets and the proposed 2011 interim allocation targets. He provided the rationale for the proposed 2011 changes in interim targets. Mr. Rue concurred that the current capital market environment has lowered the probability of reaching the actuarial rate of return.

Mr. Cooley provided tables that compared PCA's and staff's outcomes with expected returns and volatility expectations. Mr. Cooley noted that both PCA's and staff's models indicate a probable annualized return rate (7.10% and 7.50%, respectively), which are below the actuarial rate of return (8%). Dan Slack noted that these models assume no alpha is generated from the portfolio. In closing, Mr. Cooley provided a risk analysis of portfolio statistics and the impact that changing assumptions and allocation can have on the various risk metrics. Staff proposed researching and reporting back to the board in the following areas: portfolio insurance, tail risk hedging strategies, and releasing long-only constraint in public markets classes. Mr. Simon, Mr. Cooley, Mr. Linder and Mr. Rue answered questions from the board and staff.

Mr. Cooley presented staff's proposed 2011 alternative investment capital commitment pacing plan for board approval: private capital ($105m), real assets ($50m) and opportunistic ($60m). He stated that the capital commitment pacing plan is reconciled with a similar analysis provided by Hamilton Lane.

Mr. Linder presented PCA's review of FPPA's current strategic investment allocation in light of 2011 capital market assumptions. Mr. Linder noted that the board's role is to determine whether changes in capital market assumptions are material enough to warrant a significant change in FPPA's long-term investment strategy. He reported that PCA's model and assumptions show a significant across-the-board decline in forward-looking return expectations relative to the 2009 asset liability study, due to a lower level of market interest rates from those available to investors in 2009.

Mr. Linder reported that PCA does not believe the relative behavior of the strategic classes has changed significantly. Furthermore, Mr. Linder reports that PCA's modeling of the 2011 interim target allocation under PCA's 2011 capital market assumptions indicates risk levels that remain reasonable and appropriately reflective of FPPA's risk tolerance, as expressed during the 2009 asset liability study. While the recent changes in capital market expectations may impact upon the future long-term return expectations for FPPA's investment portfolio, PCA does not believe the risk characteristics of portfolio are so significantly different from those modeled in the 2009 asset liability study that the risk tolerances determined by that analysis are exceeded by the proposed 2011 interim target allocation. Mr. Linder stated that PCA believes that the proposed allocation is reasonable and prudent, that active portfolio management will be useful in achieving an 8% annual return, and that the actuarial experience study will provide additional information for the board to consider. Mr. Rue noted that the market environment is currently riskier and more volatile than it was in 2009. Mr. Linder and Mr. Rue answered questions from the board.

Mr. Simon requested approval of staff's recommendation for the 2011 interim asset allocation, as outlined in the memo. He also requested board approval for staff's recommendation for the 2011 capital commitment pacing plan, as outlined in the memo. Mr. Simon reported that the IRC has concurred that both recommendations are in compliance with board policies.

Kirk Miller moved to approve the 2011 interim asset allocation and interim range as recommended by staff and outlined in the memo. Mr. Johnson seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal and Ms. Eaton abstained.

Mr. Johnson moved to approve the 2011 capital commitment pacing plan as recommended by staff and outlined in the memo. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal and Ms. Eaton abstained. The meeting recessed for break and reconvened at 9:55 a.m.

Private Equity Annual Review – Hamilton Lane

Mr. Simon introduced Tara Blackburn and Michael Augustine with Hamilton Lane, FPPA's private equity consultant. Ms. Blackburn and Mr. Augustine presented a market overview, reviewed 2010 activity of the FPPA private equity portfolio, and provided insight on future private equity opportunities. Ms. Blackburn reported that there remains a significant amount of uninvested capital in the market. She noted that deal volume has steadily increased in 2010, including secondary buyouts as a percentage of private equity deals. Ms. Blackburn reported valuations have steadily increased back to the 2005-2006 level, leading to more robust exit markets and stronger potential cash return to investors. She reported on continued interest in emerging markets. Ms. Blackburn reported strong 2010 private equity performance in the FPPA portfolio and outperformance of the portfolio returns against public benchmarks. She noted that the FPPA portfolio was cash flow negative, as of September 30, 2010, as contributions outweighed distributions. She reviewed the 2010 objectives and investment results.

Mr. Augustine reviewed the portfolio performance generated by the top 5 and bottom 5 partnerships, showing their net gain and loss activity during the past five years and during the past year period. Ms. Blackburn described the Hamilton Lane investment philosophy as conservative, with thoughtful consideration of terms and market potential. Ms. Blackburn reviewed the 2011 strategic objectives and target exposure and gave a preview of the future market environment. Ms. Blackburn and Mr. Augustine answered questions from the board, staff and consultants and concluded their presentation.

Investment Report

Mr. Simon provided the monthly investment report for January and the year-end results of December 2010. In his economic and market summary, Mr. Simon reported the U.S. unemployment rate fell to 9.4% and the Fed held interest rates constant in support of its full employment and price stability mandate. The 10-year treasury yield moved only marginally higher and shorter term yields fell. Emerging markets were down in early 2011, while fixed income was up slightly. There were monetary tightening measures imposed in the major emerging economies due to higher inflation expectations. Mr. Simon reported the FPPA total Fund performance at +1.19% in January. The Total Fund closed the month of January with $3.14 billion in net investible assets. He reported a solid year for 2010, with the final Total Fund net performance at +13.68%, slightly lagging the FPPA custom benchmark of +13.80%, due to implementation of the shift to a global mandate.

Mr. Simon reported a new CIO was named at Commonfund, one of FPPA's venture capital fund-of-funds, but he does not anticipate this change will have any effect on the portfolio. He reported several succession-planning announcements at First Reserve, a significant private equity relationship for FPPA. This development will be monitored closely. Mr. Simon reported a strong 2010 finish for the JPMorgan Strategic Property Fund and the orderly wind-down of the JPMorgan Alternative Property Fund. He reported significant cash distributions in the alternatives portfolio in January.

Mr. Simon reported the IRC conducted meetings on January 27th, February 8th, and February 16th. Two meetings focused on asset allocation review, capital market assumptions, and the international small cap manager recommendation of Driehaus Capital Management. Mr. Simon reported the January 27th IRC meeting focused on staff's recommendation of the year-end valuation adjustment process that will take place with the 2010 alternatives portfolio. In addition to reconciling valuations on a roll forward basis, Hamilton Lane and staff conduct a market impact analysis to estimate changes in valuations between the most recent manager valuation statement and year-end. For the alternative investments where Hamilton Lane has oversight, the Hamilton Lane market impact analysis estimated an increase in aggregate portfolio value of $18.9 million. For the alternative investments where staff has oversight, staff's analysis estimated an increase in the real assets portfolio of $2.8 million. The year-end valuation adjustment will roll-off when actual information is received. Mr. Simon and Mr. Linder answered questions from the board.

Mr. Simon reported on the final results of the fixed income transition utilizing State Street (SSgM) as a transition manager. Proceeds from terminated managers WAMCO and TCW were used to fund CS McKee, Privest and a passive Barclays Aggregate mandate with SSgA. The PIMCO mandate was reduced and the proceeds were transferred to GAM. Mr. Simon reported on a recent lawsuit alleging BNY Mellon overcharged clients for foreign exchange transactions. This follows a similar lawsuit in late 2009 against State Street, as a result of which staff investigated FPPA's foreign currency transactions with BNY Mellon and found them to be consistent with FPPA guidelines and with best execution. FPPA will continue to monitor foreign exchange utilization and will once again investigate the issue with BNY Mellon, given the recent press and lawsuit allegations.

Mr. Simon congratulated PCA on their recent recognition by Money Management Letter in its 2011 Public Pension Fund Awards: PCA founder Allan Emkin received a Lifetime Achievement Award and Neil Rue was nominated for Consultant of the Year.

FPPA Quarterly Investment Report (4Q 2010)

Mr. Linder and Mr. Rue presented FPPA's quarterly portfolio and capital market review for Q4 2010. Mr. Linder reported that 2010 was a good year. As of December 31, 2010, the Total Fund had an aggregate value of $3.1 billion and the portfolio increased by $288.8 million or 13.7%. Mr. Linder provided Total Fund risk/return analysis for the latest three and five years. Mr. Linder provided valuation risk metrics charts that showed the correlation between world events and market reactions. During Q4 of 2010, the global financial markets focused on the improving economic indicators, despite international events (military tensions, debt crisis, and monetary tightening) that threatened investors' confidence. Stabilization of the global economy, a low interest rate environment plus subdued inflation, and two rounds of quantitative easing from the Fed have all provided support for the market. However, he noted that the Fed's monetary expansion policy has renewed concerns about inflation. Mr. Linder reported that equity markets have performed strongly and there is a positive forecast on economic and capital market growth in 2011. International equity markets and emerging markets were resilient, despite currency weakness and debt fears.

Mr. Linder reported that significant shifts are being made in the benchmark portfolio as a result of the new interim target ranges. He reported that the Total Fund generated positive absolute performance results over four of the five trailing 12-month periods (net of fees); and the Total Fund has outperformed the policy benchmark since 2008. Mr. Linder provided a review of asset class performance and manager comparison performance against the benchmarks. Mr. Linder and Mr. Rue answered questions from the board.

Investment Market Risk Metrics Report

Mr. Linder provided an investment market risk metrics report for February 2011. He reported a rise in U.S. interest rates and expects this trend to continue. He noted that, despite the rise in interest rates, interest rate risk is still at extremes and real returns will not be very high. Mr. Linder and Mr. Simon reported that staff, PCA and existing managers will continuously monitor the portfolio exposure and evaluate the problem, determine corrections, and implement policy. Mr. Simon and Mr. Rue agreed that authorizing increased policy flexibility might be considered by the board so that staff could take action within long-term ranges to address risk management issues.

Legal Report

Mr. Lindahl provided a copy of the litigation report in the board packet. In the Dallas J. Huber case, Mr. Lindahl reported that FPPA declined a request for mediation, advising Mr. Huber's attorney that in FPPA's view mediation would serve no useful purpose in this case. FPPA has prepared and certified the Record.

In the Glenn D. Guyman case, Mr. Lindahl reported that Mr. Guyman's counsel requested an extension of time to answer the Petition, to which FPPA did not object. The extension was granted by the Court.

In the Tronox and Kerr-McGee case, Mr. Lindahl reported that discovery is being scheduled. He anticipates his deposition will be conducted in April 2010.

Mr. Lindahl provided an update on legislative issues, particularly FPPA's three board member appointments. The Senate Confirmation Hearings will be in the State Affairs Committee and have been scheduled on March 1, 2011, at 1:30 p.m. An FPPA Fact Sheet has been prepared for use during the hearings. Mr. Lindahl reported that on Thursday morning immediately following adjournment of the general House Session, FPPA will be presenting an annual report to the House Finance Committee. This presentation will take place on the first floor of the Legislative Services Building across the street from the Capitol. In the past this report has been presented to the Pension Reform Commission (PRC). However, the PRC did not meet last summer and FPPA is presenting a report to the House Finance Committee instead.

Mr. Lindahl referred the board to the letter written by Dan Slack to the Securities and Exchange Commission regarding registration of pension board members as municipal advisors. Mr. Lindahl reported that the letter details some of the problems that are created by having that registration requirement. The proposed draft rule has not been finalized and there have been many letters of comments by other concerned funds and organizations. Mr. Lindahl stated that he anticipates changes to the draft rule in the near future and Mr. Lindahl will keep the board advised.

Mr. Lindahl provided a memo regarding forty-nine Notices of Tax Lien & Garnishment received from the State of Colorado Department of Revenue. Forty-six notices were for members or beneficiaries and three were for vendors. FPPA has notified the thirty members and beneficiaries that are in pay status of the attempt to lien their pension benefits and of FPPA's response to this attempt. Each of the plans contains a statutory anti-alienation clause which prohibits a lien or levy on the pension benefits. FPPA will implement a garnish against the one vendor with which FPPA does business upon payment of the next invoice. Mr. Lindahl reported that FPPA does implement federal tax levies when a member is receiving a benefits payment. Federal law provides for such levies and preempts state laws protecting pensions. Mr. Lindahl answered questions from the board.

Staff Report

Gina McGrail presented a memo regarding an issue that staff has been investigating related to a disabled member who is now affiliated with the Elk Creek Fire Protection District. Ms. McGrail reported that FPPA has received conflicting information with respect to the member's employment status and assigned duties. Ms. McGrail stated that it is still unclear if the member's affiliation with Elk Creek is that of a full-time paid firefighter, a volunteer, or some other capacity. In order to obtain full and accurate information regarding the member's employment or involvement at Elk Creek, staff is requesting the board to issue a subpoena to obtain records to gather factual information on which to base a staff determination of the member's continuing eligibility to receive disability benefits. Ms. McGrail and Mr. Lindahl reported that the subpoena power is enforceable by the courts if someone does not comply with the subpoena. The subpoena must be approved by a vote of the board before it can be issued.

Mr. Johnson moved to approve the issuance of a subpoena. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY.
Mr. Blumenthal and Ms. Eaton abstained.

Mr. Slack reported that due to replacement of the building chiller, the March 17th board meeting may need to take place at an outside location. Notification will be sent by email and in the board packet when the location is determined.

Mr. Slack referred the board to a letter written by a survivor-recipient commending staff for their assistance in receiving survivor benefits for the past 20 years.

Mr. Slack discussed aspects of the 2011 Economic Outlook prepared by Northern Trust Corporation. The slide referenced showed the adjusted excess reserves of depository institutions. The caption quote: The biggest upside risk to 2011 economic growth and interest rate levels is that private monetary financial institutions rapidly begin transforming their almost $1 trillion of excess "cash" into loans and securities. Mr. Slack noted his opinion that, should this happen, inflation may well follow.

Mr. Slack presented a memorandum regarding an implementation plan update for the Self-Directed Investment Fund. Mr. Slack reported that contract negotiations continue with Fidelity. Mr. Slack reported that staff is moving investment options to the lowest revenue sharing class possible and adding the appropriate basis point charge to recover costs from members' accounts on a pro rata basis, in addition to the flat fee of $7.50 per account per quarter. The cost will vary by plan size because the plans vary in their asset size, in the number of accounts and in forfeitures. Mr. Slack answered questions from the board.

Ms. McGrail referred the board to a memo regarding 2011 supplemental actuarial studies. She reported that staff annually reviews the various pension plans under the FPPA Defined Benefit System, as well as the Statewide Death and Disability Plan, to determine if any additional items need to be studied as part of the upcoming actuarial valuation. Ms. McGrail reported that staff is recommending one supplemental study for the Statewide Defined Benefit Plan (SWDB plan) to to determine if the 20% contribution rate for members entering the SWDB plan through the re-entry process remains appropriate. When the re-entry into the Defined Benefit System was first authorized, the actuaries completed an analysis that determined that the re-entry group should be assessed a 20% combined contribution rate The combined contribution rate for members of departments who have remained with FPPA since inception is 16%. FPPA adjusts any re-entry contribution in excess of actuarial need by having an appropriate SRA allocation made with respect to the re-entry members each year. Staff feels it is time to have another actuarial study to determine if 20% remains the appropriate re-entry contribution rate. Mr. Slack reported that a reason the re-entry group has similar actuarial cost is because re-entry members are buying service credit and so have actuarial characteristics similar to a long-term member of the SWDB plan.

Ms. McGrail reported that discussions continue with the City of Colorado Springs and GRS regarding an additional supplemental study. Additional studies may be proposed in the future. Mr. Slack and Ms. McGrail answered questions from the board.

Mr. Johnson moved to approve the supplemental actuarial study as presented. Cliff Stanton seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY. Mr. Blumenthal and Ms. Eaton abstained.

Mr. Slack referred the board to a memo regarding a possible study of staff total compensation. He provided three proposals for performing a benefits and compensation survey to give an approximate cost of doing such a survey.
Mr. Slack identified the next steps in the process, if the board decides to proceed. The final scope presentation would be made to the board as a whole. Staff would work directly with consultants. Mr. Slack stated that a budget amendment will be necessary. He answered questions from the board.

Mr. Johnson moved to direct staff to proceed with a request for proposals for a study of total compensation and benefits for staff members not covered under a previous study. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR. Mr. Hesalroad voted against. Mr. Blumenthal and Ms. Eaton abstained.

Chairman's Report

Chairman Nash reported that FPPA has again received the Certificate of Achievement for Excellence in Financial Reporting. He noted that this is the highest form of recognition in governmental accounting and financial reporting and its attainment represents a significant accomplishment by FPPA management and staff.

Mr. Johnson reported on his attendance at the Visions Insight and Perspectives Conference.

At 1:32 p.m., Mr. Johnson moved to adjourn the meeting. Mr. Bower seconded the motion. MOTION CARRIED IN FAVOR UNANIMOUSLY.