

***Fire & Police Pension Association  
Budget Committee Meeting Agenda***

November 19, 2020

9:00 a.m. Mountain Time

- 9:00 a.m. Call to Order.** *Karen Frame, Chair*
- Approval of November 21, 2019 meeting minutes.**
- 9:05 a.m. Budget process.** *Presenter: Dan Slack*
- 9:20 a.m. Proposed 2021 Budget.** *Presenter: Kim Collins*
- 10:05 a.m. Salaries and benefits.** *Presenter: Elaine Gorton*
- 10:35 a.m. Draft Board presentation of the proposed 2021 budget.** *Presenter: Kim Collins*
- 11:00 a.m. Adjourn**

Please note this will be a Zoom (virtual) meeting. Details are below:

Join Zoom Meeting

<https://fppaco.zoom.us/j/93346796909?pwd=Mms3UWZVYVdBWEcyQ2FvYmJPNEExYZz09>

Meeting ID: 933 4679 6909

Passcode: 826268

One tap mobile

+13462487799,,93346796909#,,,,,0#,,826268# US (Houston)

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Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

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## **FIRE AND POLICE PENSION ASSOCIATION**

Budget Committee Meeting  
November 19, 2020

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

\*This meeting was held virtually via Zoom.

Committee Members Present: Chair Karen Frame and Patrick Phelan.

Staff Members Present: Dan Slack, Kim Collins, Kevin Lindahl, Scott Simon, Chip Weule, Elaine Gorton, Ahni Smith, Mark Gremmert and Isabel Fernandez.

### Call to Order

At 9:02 a.m., Chair Frame called the meeting to order.

Mr. Phelan moved to approve the November 21, 2019, meeting minutes. Chair Frame seconded the motion. The motion passed.

### Budget process

Mr. Slack provided a brief summary of the budget process. Staff strives to be as accurate as possible and realistic in terms of projections and is focused on the appropriate and reasonable costs the organization will have. The proposed budget is evaluated in a two-step process by the Budget Committee and full Board. Today is step one of the budget process and step two is when the Budget Committee recommendation is presented to the full Board at the December meeting. Mr. Slack defined the fiduciary standard as "to incur costs that are appropriate and reasonable in relation to the assets, the purposes of the trust, and the skills of the trustee". The proposed budget reflects the direction the Board has given staff to achieve the FPPA mission statement, achieve the objectives within the strategic plan, and to comply with the fiduciary standard.

In response to Chair Frame's question, Mr. Slack confirmed that this year's project funds were used to purchase extra laptops to work from home. Ms. Collins stated any time there is a line item change or an addition, it is shown as an amendment to the budget.

In response to Chair Frame's question, Ms. Collins stated the revenue line noted was the state funding received for the volunteer firefighter plans for 2019.

### Proposed 2021 Budget

Ms. Collins reviewed the proposed 2021 budget with the Committee. The budget is split into two components, the operating budget and the asset based fees budget. The reason for the two budgets is to account for guidance around GASB 67. The asset based fees budget was added in 2010 to provide additional transparency around investment costs impacting the FPPA Total Fund. The operating budget reports administrative expenses to the various plans. The combined budget for both the operating budget and asset based fees budget is \$53.2 million dollars, which is a decrease from the prior year. In general, higher salaries/benefits were offset by lower investment management fees.

The operating budget is \$8.9 million of the \$53.2 million total budget, an increase of 6.5% from the previous year. There is a capital expenditure budget proposed at \$308,000. Due to the impact of COVID-19 we are below budget for overall 2020 projected expenses.

Ms. Collins continued by reviewing the various projects within the proposed budget including actuarial valuations, financial and internal audits, technology, medical fees, board expenses, and building expenses.

Ms. Collins went on to review the asset based fees budget, noting it is \$43.9 million of the \$53.2 million total budget. It is decreasing by 3.1% from the previous year due to investment management fees, which represent over 89% of the total budget.

At 10:35 a.m., Chair Frame called for a break.

### Salaries and Benefits

At 10:45 a.m., the meeting reconvened.

Ms. Gorton reviewed the operations and asset based fees salaries and benefits portion of the proposed budget. Expenses for salaries and benefits constitute 70.9% of the total operating budget. The funds spent help increase employee engagement and also help with employee retention. The main aspects to the increase include cost-of-living and market adjustments, incentive compensation program changes, and two new positions within the Benefits and Investments teams.

### Draft Board presentation of the proposed 2021 budget

Ms. Collins reviewed the budget presentation slides and summary information to be presented to the board at the December meeting. Ms. Frame stated that the Budget Committee recommends approval.

Mr. Phelan moved the Committee to recommend approval of an amendment to the 2020 Budget which reallocates \$20,420 from the *Executive Director's Other/Miscellaneous Projects* category to the *Data Processing Supplies* category. Chair Frame seconded the motion. The motion passed.

Mr. Phelan moved the committee to recommend approval of the proposed 2021 Budget. Chair Frame seconded the motion. The motion passed.

At 11:24 a.m., Mr. Phelan moved to adjourn the meeting. Chair Frame seconded the motion. The motion passed. The meeting was adjourned.