

Letter to the Membership: June Board Planning Session

At the June 2026 Board Planning Session, GRS, FPPA's consulting actuary, will present the results of two studies: the January 1, 2026 actuarial valuation and the experience study, which is an assessment of our current assumptions as compared to our actual experience. The actuarial valuation is conducted on an annual basis, and the experience study is part of the regular schedule for the Board to review actuarial assumptions and methods. This work informs staff and the Board in making plan management decisions.

Actuarial assumptions and methods of valuing the pension plan directly affect funded status, benefit security, and equity amongst the membership. Actuarial assumptions and valuation methods are subject to routine periodic review and analysis, as capital market assumptions and the macroeconomic environment change. GRS will also present on the actuarial methods FPPA currently uses, and provide an analysis of the range of methods that are acceptable for use.

Many of you have heard from a group of Denver Police retirees who are asking that FPPA grant higher compounded COLAs. It is important to know that FPPA staff has met with this group on several occasions to listen to their concerns and to present how current policies work at FPPA. These conversations have been cordial and productive. Rest assured that the FPPA staff is listening and we are focused on ensuring that all decisions are made with the best interests of all Members and beneficiaries in mind.

Many of the issues raised by this Denver Police retiree group relate to the actuarial methods and assumptions used to calculate benefits. At the planning session, GRS will address the recent assertions made by this group of retirees regarding actuarial assumptions and methods. In addition, we believe it is a good time to do an additional actuarial study, independent of the work that GRS has done, which includes a comprehensive review of all assumptions including the assumed rate of return.

We wanted to communicate directly so you understand what staff will recommend to the Board in June. In addition to the review by GRS, as part of our normal process, FPPA staff will recommend that the Board of Directors take the following actions at its June Planning Session:

1. Complete a full actuarial study using a different actuarial firm from GRS. The Board will then compare actuarial methods and assumptions at a future Board meeting.
2. Create a stakeholder ambassador program.

FPPA will outline a framework for a stakeholder ambassador program which will further engage stakeholder groups on all issues impacting FPPA, not just COLAs. We believe it is important that we bring all interested stakeholders to the table to discuss the issues that impact benefits, funding, and the future of our membership.

FPPA takes these issues very seriously. For years we have focused on maintaining a well-funded status to protect our Members' base benefits while also building a reserve to fund future COLAs. Staff and the Board continue to believe that all policies and actuarial methods should be reviewed on a periodic basis. Our intention here is to once again adhere to that philosophy.

As it has done in the past, FPPA may make changes to current actuarial assumptions and methods, if they are warranted, and will consider paying additional compounded COLAs if the plan can afford to do so without jeopardizing long-term funding. We will continue to work hard to maintain a well-funded status, which is our fiduciary obligation to all Members and the best way to ensure future projected COLAs are funded. We will continue to be transparent and trustworthy with our communication.

Thank you for your continued engagement on these important issues. We will communicate the Board's plans and decisions once they have been made.

Sincerely,

Kevin Lindahl, Executive Director

Adam Franklin, Deputy Executive Director