

*** * * * NOTICE * * * ***

Notice is hereby given that the Board of Directors of the
ELIZABETH FIRE PROTECTION DISTRICT PENSION BOARD
OF TRUSTEES

will hold a regular Board meeting on

Tuesday, January 14, 2020

Board meeting will begin at *6:45 P.M.*

at Elizabeth Fire Station #1

located at 155 W. Kiowa Ave., County of Elbert,
Elizabeth, Colorado

BY ORDER OF THE BOARD OF TRUSTEES FOR THE
PENSION BOARD OF THE ELIZABETH FIRE
PROTECTION DISTRICT

By:/s/ Chad Toney, Chairman

Agenda for the Pension Board meeting:

Call to Order
Minutes
Treasurers Report
Old Business
New Business
Adjournment

Dated this 17th day of December **2019**

**ELIZABETH FIRE PROTECTION DISTRICT
PENSION BOARD OF TRUSTEES MEETING
AGENDA**

January 14, 2020

1. Call to Order
2. Roll Call
3. Additions/Deletions to Agenda
4. Approval of Minutes
5. Treasurer's Report
 FPPA Allocation report 3rd quarter 2019
6. Old Business
 State Matching Funds
7. New Business
 Pension Board election
8. Executive Session (if necessary)
9. Adjournment

**ELIZABETH FIRE PROTECTION DISTRICT
VOLUNTEER FIREFIGHTER PENSION FUND
P.O. BOX 441
155 W. KIOWA AVENUE
ELIZABETH, CO. 80107
MINUTES OF THE PENSION FUND BOARD OF TRUSTEES MEETING
September 10, 2019**

Present:

Chad Toney, President
Scott Christian, Vice President
Wayne Austgen, Secretary
Scott Christensen, Trustee
Mike Graeff, Treasurer

Also Present:

T.J. Steck, Chief
Division Chief Aldridge
Division Chief Gerczynski
Gay Kriz, Finance Officer
Michelle Ferguson, Legal Counsel

Absent:

Rick Young (excused)

Chairman Toney called the meeting to order at 18:46 hours.

Roll Call

Chairman Toney stated that all Board members are present with the exception of Rick Young. Secretary Austgen moved to excuse Rick Young. Trustee Means seconded the motion. Motion carried.

Additions/Deletions to the Agenda

Chairman Toney asked if there were any additions or deletions to the agenda. There were no additions or deletions to the agenda. Chairman Toney stated that an Executive Session would not be necessary.

Minutes

Secretary Austgen moved to forgo the reading of the April 9, 2019 minutes and approve them, as presented. Trustee Means seconded the motion. Motion passed unanimously.

Treasurer's Report

Finance Officer Kriz stated that the Board has copies of the revised FPPA Allocation Report for December 2018 and the allocation report for January through June of 2019. She stated that the Board also has a new report from QuickBooks showing the monthly and yearly fund balance for the Volunteer Pension Funds. She stated that the plan has paid \$6,959.25 in expenses and has received \$85,952.71 in dividends and interest for the first six months of 2019. Finance Officer Kriz stated the net loss for the Pension Fund with retiree payouts and expenses is \$5,719.04. Board discussion followed.

OLD BUSINESS

Chairman Toney asked if there were any Old Business items to discuss. None were presented

NEW BUSINESS

2019 Actuarial Study

Finance Officer Kriz stated that the District has received the 2019 Actuarial Study and it indicates that the District contribution to the fund should be \$55,086 in 2020 for the Fund to be actuarially sound. Chairman Toney asked if there were any questions on the Actuarial Study. There were none. The District Board will discuss funding at the Board meeting.

MEMORANDUM

To: Affiliated FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Third Quarter 2019
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 28, 2019

Allocation Report

Investment Performance

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund ("Fund"). Returns for the Fund are as follows (returns for periods longer than one year are annualized):

As of 09/30/2019	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Fund Net of Investment Expense*	0.88%	10.00%	5.67%	8.57%	6.75%

*FPPA Administrative Expenses are not included in the Total Fund Net of Investment Expense percentages.

The table below summarizes expenses as a percentage of net assets for the Fund (all defined benefit plans combined):

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2019 YTD	0.11%	0.54%	0.65%
2018	0.16%	0.88%	1.04%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%

How to Calculate Your Plan Specific Expense Ratio

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan's administrative expenses may differ from the Fund. In order to calculate your plan's administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

Allocation Methodology

Investment Expenses and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan's proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan's proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Comprehensive Annual Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

Review of the Report

Review the items *Member Contributions*, *Employer Contributions*, *Refunds*, *Affiliations*, *Net Benefits*, *Plan Directed Expenses* and *State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by November 22, 2019. If FPPA does**

not receive a response by November 22, 2019, you are confirming that these report items are correct.

Annual Contributions Received

FPPA provides a schedule of your 2019 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2019. **Please be aware that this report shows contributions based on the date received by FPPA and does not consider if contributions relate to a prior year.** All required contributions are due to FPPA before December 31, 2019.

Direct Expense Allocation Summary

Direct Expense Allocation

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI) for old hire plans and C.R.S. 31-31-705(2)(f) for volunteer fire plans.

Payment of Settlor Expenses

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at pjob@fppaco.org.

Allocation Report Descriptions

This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date

Beginning Balance	Plan assets at the beginning of the year
Plan Direct Inflows and Outflows	
Member Contributions	Member Contributions made to the plan
Employer Contributions	Employer Contributions made to the plan
Contributions from the SWDD Plan	Contributions received for a member on disability rolling to a normal retirement
Refunds	Member withdrawal of funds from the plan
Affiliations/(Disaffiliations)	Plan affiliation or disaffiliation or idle funds distribution (typically a Volunteer Fire Plan matter)
Net Benefits	Benefits paid to retired members
Plan Directed Expenses	Payments from plan assets directed by the department Examples: legal, actuarial, and insurance expense
State Funding	State funding for volunteer plans
Plan Direct Inflows and Outflows Sub-Total	Sub-Total of the above activity
Allocated Income and Expense	
Interest*	Interest on investments
Dividends*	Dividends on investments
Other Income*	Other investment income
Net Change Accrued Income*	Change in accrued earnings for interest and dividends
Unrealized Gain/Loss*	Unrealized Gain/Loss on investments
Realized Gain/Loss*	Realized Gain/Loss on investments
Defined Contribution Earnings (Net)	Not applicable for Defined Benefit plans
Investment Expenses	Allocated share of FPPA investment expense
Direct Expense Allocation	Expenses directly allocated to the plan Examples: actuarial and audit fees
Other Expenses	Allocated share of FPPA administrative expense
Allocated Income and Expense Sub-Total	Sub-Total of the above activity
Ending Balance	Plan assets at period end

* Allocated from the Fire & Police Members' Benefit Investment Fund

**Fire and Police Pension Association
Elizabeth FPD Volunteers 515-5
For the Nine Months Ending September 30, 2019**

Beginning Balance	\$964,102.50
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$55,086.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Net Benefits	(\$127,068.75)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$71,982.75)</u>
Allocated Income and Expense	
Interest	\$3,607.03
Dividends	\$4,389.98
Other Income	\$2,331.95
Net Change Accrued Income	\$281.23
Unrealized Gain/Loss	\$9,946.50
Realized Gain/Loss	\$74,782.90
Defined Contribution Earnings (Net)	
Investment Expenses	(\$5,288.94)
Direct Expense Allocation	(\$826.33)
Other Expenses	(\$4,212.02)
Allocated Income and Expense Sub-Total	<u>\$85,012.30</u>
Ending Balance	<u><u>\$977,132.05</u></u>

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions ELIZABETH FPD 515-5

For the Reporting Period: 01/01/2019 through 09/30/2019

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
09/24/2019	\$55,086.00	\$0.00	\$55,086.00
Total Remittance			\$55,086.00
Calculated Contribution per the 01/01/2017 Actuarial Study			\$73,306.00
Difference Over/(Under)			\$(18,220.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2019

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Elizabeth FPD Volunteers 515-5
 For the Nine Months Ending September 30, 2019**

Type of Expense	2019 Budget	Year-to-Date Expenses	Payment of 2019 Expenses
Actuarial Expenses	\$1,035.12	\$690.08	
Audit Expenses	\$136.25	\$136.25	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,171.37	\$826.33	

Actuarial expenses may exceed the budget related to asset allocation studies and implementation.

Contact Peggy Job at 720-479-2345 to obtain a detailed expense listing.



COLORADO
Department of Local Affairs
Division of Local Government

October 24, 2019

GAY KRIZ
Elizabeth Fire Protection District
P.O. BOX 441
ELIZABETH, CO 80107

Ref: 2019 State Contribution to Volunteer Firefighter Pension Funds Advice

Dear GAY KRIZ:

The Division of Local Government (DLG) has processed the Elizabeth Fire Protection District application for the 2019 State Contribution to the Volunteer Firefighter Pension Fund, pursuant to CRS 31-30-1112, et seq. The attached advice shows the calculation used to arrive at the dollar amount of this year's state contribution for the Elizabeth Fire Protection District.

Our records indicate that the Elizabeth Fire Protection District volunteer firefighter pension plan is administered by the Fire and Police Pension Association (FPPA). Accordingly, in compliance with SB 14-024, in early December the State of Colorado will transfer your 2019 state contribution directly to the FPPA for credit to your local government's volunteer firefighter pension plan. A link to this bill can be found on the VFP website: dola.colorado.gov/vfp

The state's contribution is calculated on the amount of the municipality or district's tax contribution to the pension fund. If the municipality or special district did not make a tax contribution to the pension fund in the previous year, the state cannot make a contribution to the pension fund. Additionally, the state's contribution cannot exceed one-half mill of the municipality or district's previous year's net assessed valuation. If you have any questions, please do not hesitate to contact Leslie Jones at 303-864-7735.

Chantal Unfug
Division Director

cc: file 2019 VFP App. #229

Applicant: Elizabeth Fire Protection District
 VFP App#:229

Received On: September 17, 2019
 Generated On: October 24, 2019

Recipient: Elizabeth Fire Protection District, 20003

The pension fund's 2018 monthly benefit of \$750 per volunteer for retirement is greater than \$300 per month and therefore requires the state contribution be calculated according to C.R.S. 31-30-1112(2)(b).

31-30-1112(2)(b)

b1. The state contribution is equal to 90% of the local contribution:

<u>Local Government Name</u>	<u>Local Contrib. (from App.)</u>	<u>Local Contrib. (from Audit)</u>	<u>Local Contrib. Used For Calculation</u>
Elizabeth Fire Protection District	\$55,086	\$55,086	\$55,086
Total local contribution = b1a.			\$55,086
0.9 X b1a. = b1.			\$49,577

b2. The state contribution **b1.** must not be more than the greater of **(I)** the contribution actuarially required to pay a pension of 300 dollars per month in the previous year or **(II)** the actual contribution received in 1998, 1999, 2000, or 2001:

(I) the 2018 actuarially required contribution (ARC) or	-\$40,996	
(II) the 2001 state contribution	\$18,220	
	= b2a.	\$18,220
The lesser of line b1. or b2a. = b2.		\$18,220

b3. The state contribution **b2.** shall not exceed one-half mill of previous net assessed value **b3a.**:

<u>Tax Entity Name</u>	<u>County</u>	<u>Net Assessed Value</u>
Elizabeth Fire Protection District	Elbert	\$171,381,242
Previous net assessed value = b3a.		\$171,381,242
0.0005 X b3a. = b3b.		\$85,691
The lesser of b2. and b3b. = b3.		\$18,220

11:01 AM

01/13/20

Accrual Basis

FPPA Volunteer Pension Fund
Profit & Loss
January through September 2019

	<u>Jan - Sep 19</u>
Income	
Dividends	4,389.98
Employer Contributions	55,086.00
Interest Income	3,607.03
Net Change Accrued Income	281.23
Other Income	2,331.95
Realized Gain/Loss	74,782.90
Unrealized Gain/Loss	<u>9,946.50</u>
Total Income	150,425.59
Expense	
Direct Expense Allocation	826.33
Investment Expense	5,288.94
Other Expenses	4,212.02
Retiree Payout	<u>127,068.75</u>
Total Expense	<u>137,396.04</u>
Net Income	<u><u>13,029.55</u></u>

FPPA Volunteer Pension Fund
Balance Sheet
As of September 30, 2019

	<u>Sep 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
FPPA Pension Fund	977,132.05
Total Checking/Savings	<u>977,132.05</u>
Total Current Assets	<u>977,132.05</u>
TOTAL ASSETS	<u>977,132.05</u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	964,102.50
Net Income	13,029.55
Total Equity	<u>977,132.05</u>
TOTAL LIABILITIES & EQUITY	<u>977,132.05</u>