

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

November 10, 2020

1. Call to Order
2. Roll Call
3. Additions/Deletions to Agenda
4. Approval of Minutes
5. Treasurer's Report
6. Old Business
7. New Business
8. 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
August 11, 2020**

Present:

Chad Toney, President
George Berry, Newly Elected Trustee
Wayne Austgen, Secretary
Scott Christensen, Trustee
Don Means, Trustee
Rick Young, Trustee

Absent:

Mike Graeff, Treasurer

Also Present:

T.J. Steck, Chief
Division Chief Aldridge
Division Chief Gerczynski
Michelle Ferguson, Legal Counsel
Sarah Fischer, Director of Finance and Human Resources
Maria Cannata, Secretary to the Board

Chairman Toney called the meeting to order at 6:45 p.m.

Roll Call

Chairman Toney stated that all Board members are present with the exception of Treasurer Graeff. Trustee Christensen moved to excuse Treasurer Graeff. Trustee Young 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.

Minutes

Chairman Toney moved to forgo the reading of the March 10, 2020 minutes and approve them, as presented. Secretary Austgen motioned to approve. Trustee Young seconded the motion. The motion passed unanimously.

Treasurer's Report

Director of Finance and Human Resources Fischer stated the Board has copies of the FPPA Statements and financials. In December, she will apply for the State matching funds. At the end of the month she will send FPPA \$64,477 for the District's annual contribution.

There were no questions or comments on the Treasurer's Report.

OLD BUSINESS

None to discuss.

Chairman Toney welcomed newly elected trustee, George Berry, to the Pension Board. Discussion followed.

NEW BUSINESS

None to discuss.

**Page 2 Minutes of the Pension Fund Board of Trustees Meeting
August 11, 2020**

Chief Steck mentioned that previously the Board has requested actuary studies from FPPA. If the Board would like FPPA to attend a Board meeting, Staff will request Pam Feely from West Metro Fire Protection District, who has served on the FPPA Board, to come out to talk to the Board.

Board discussion followed.

Chairman Toney called for a motion to adjourn the meeting. Secretary Austgen moved to adjourn the meeting. Trustee Christensen seconded the motion. The motion passed unanimously.

Chairman Toney adjourned the meeting at 6:53 p.m.

Meeting Schedule

The next regular Board meeting is scheduled for November 10, 2020, at 6:45 p.m. at 155 West Kiowa Ave, Elizabeth, Colorado.

Chad Toney, President

Date

Wayne Austgen, Secretary

Date

9:29 AM

11/04/20

Accrual Basis

FPPA Volunteer Pension Fund

Balance Sheet

As of September 30, 2020

	<u>Sep 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
FPPA Pension Fund	887,033.76
Total Checking/Savings	887,033.76
Total Current Assets	887,033.76
TOTAL ASSETS	887,033.76
LIABILITIES & EQUITY	
Equity	
Retained Earnings	991,078.02
Net Income	-104,044.26
Total Equity	887,033.76
TOTAL LIABILITIES & EQUITY	887,033.76

9:28 AM

11/04/20

Accrual Basis

FPPA Volunteer Pension Fund
Income Statement
January through September 2020

	<u>Jan - Mar 20</u>	<u>Apr - Jun 20</u>	<u>Jul - Sep 20</u>	<u>TOTAL</u>
Income				
Dividends	1,212.46	1,326.96	903.10	3,442.52
Interest Income	971.10	718.08	665.23	2,354.41
Net Change Accrued Income	-164.67	-90.90	63.69	-191.88
Other Income	634.10	950.46	585.57	2,170.13
Realized Gain/Loss	-1,564.22	11,001.53	6,232.96	15,670.27
Unrealized Gain/Loss	-85,471.76	52,641.16	41,237.72	8,407.12
Total Income	-84,382.99	66,547.29	49,688.27	31,852.57
Expense				
Direct Expense Allocation	202.16	87.44	76.74	366.34
Investment Expense	933.07	1,794.92	1,712.47	4,440.46
Other Expenses	1,290.68	1,404.41	1,326.19	4,021.28
Retiree Payout	42,356.25	42,356.25	42,356.25	127,068.75
Total Expense	44,782.16	45,643.02	45,471.65	135,896.83
Net Income	<u><u>-129,165.15</u></u>	<u><u>20,904.27</u></u>	<u><u>4,216.62</u></u>	<u><u>-104,044.26</u></u>

MEMORANDUM

To: Affiliated FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Third Quarter Ended September 30, 2020
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 28, 2020

Allocation Report

Investment Performance

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

As of 9/30/2020	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	5.65%	3.67%	8.16%	7.54%	8.07%

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

The table below summarizes expenses as a percentage of net assets for the Pool:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
2020-Q3	0.09%	0.49%	0.58%
2019	0.13%	0.80%	0.93%
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 Pool. 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 December 15, 2020. If FPPA does not receive a response by December 15, 2020, you are confirming that these report items are correct.

Annual Contributions Received

FPPA provides a schedule of your 2020 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2020. **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, 2020. Be sure to submit your Contributions Report and payment to be included in 2020 reporting no later than December 28, 2020.**

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 – Long Term Pool.*

**Fire and Police Pension Association
Elizabeth FPD Volunteers 515-5
For the Nine Months Ending September 30, 2020**

Beginning Balance	\$991,078.02
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
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>(\$127,068.75)</u>
Allocated Income and Expense	
Interest	\$2,354.41
Dividends	\$3,442.52
Other Income	\$2,170.13
Net Change Accrued Income	(\$191.88)
Unrealized Gain/Loss	\$8,407.12
Realized Gain/Loss	\$15,670.27
Defined Contribution Earnings (Net)	
Investment Expenses	(\$4,440.46)
Direct Expense Allocation	(\$366.34)
Other Expenses	(\$4,021.28)
Allocated Income and Expense Sub-Total	<u>\$23,024.49</u>
Ending Balance	<u><u>\$887,033.76</u></u>

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions ELIZABETH FPD 515-5

For the Reporting Period: 01/01/2020 through 09/30/2020

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
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No deposits received for the reporting period

Total Remittance			\$0.00
Calculated Contribution per the 01/01/2019 Actuarial Study			\$82,697.00
Difference Over/(Under)			\$(82,697.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2020

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Elizabeth FPD Volunteers 515-5
 For the Nine Months Ending September 30, 2020**

Type of Expense	2020 Budget	Year-to-Date Expenses	Payment of 2020 Expenses
Actuarial Expenses	\$306.91	\$224.70	
Audit Expenses	\$141.64	\$141.64	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$448.55	\$366.34	

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.