



SOUTH METRO FIRE RESCUE
Volunteer Firefighter Pension Board of Trustees' Regular Meeting
August 2, 2021 at 6:00 p.m.
9195 E. Mineral Avenue, Centennial, CO

AGENDA

I. REGULAR MEETING CALL TO ORDER

A. CONSENT AGENDA

Consent Agenda items are provided for study in the Board packets and introduced in the General Session for the Board's review. They can be adopted by a single motion. All resolutions and proposed actions must be read by title prior to a vote on the motion. Any Consent Agenda items may be removed at the request of a Director and heard separately or tabled.

1. May 3, 2021 South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees' Special Board Meeting Minutes
2. Second Quarter 2021 Allocation Reports (if available)

B. ACTION ITEMS

1. Oath of Office – Member Trustee
2. Election of Officers – Dell'Orfano

C. DISCUSSION ITEMS

1. Benefits – Miskimins

D. INFORMATION ITEMS

E. NEXT MEETING

Regular Board of Trustees' Meeting to be held on November 1, 2021 at 6:00 p.m. at 9195 E. Mineral Avenue, Centennial, CO.

F. ADJOURNMENT

South Metro Fire Rescue
Volunteer Firefighter Pension Board of Trustees'
Regular Meeting Minutes
May 3, 2021

Present: Jack Gilliland, Vice Chair
William Shriver
Hank Eng
Sue Roche
Jim Albee
Renee Anderson
Cindy Hathaway
Alison Rausch
Walt Burns

Bob Baker, Fire Chief
Mike Dell'Orfano Assistant Chief
Vince Turner, Assistant Chief
Jon Adams, Assistant Chief
Kevin Milan, Assistant Chief
Jerry Rhodes, Assistant Chief
Dillon Miskimins, Chief Financial Officer
Isela Nejbauer, Chief Human Resources Officer
Kristin Eckmann, Chief Communications Officer
Bob Cole, Legal Counsel (via Teams)

Others: SMFR Staff Members

MEETING CALL TO ORDER

Chair Albee called the regular meeting of the South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees to order at 6:03 p.m.

PLEDGE OF ALLEGIANCE

Chair Albee led the pledge of allegiance to the United States of America.

CONSENT AGENDA

November 2, 2020 Special SMFR Volunteer Firefighter Pension Board of Trustees' Meeting Minutes
Fourth Quarter 2020 & First Quarter 2021 Allocation Reports

A motion was made by Walt Burns and seconded by Sue Roche to approve the consent agenda as presented. All were in favor and the motion carried.

ACTION ITEMS

2021 Election Schedule – Chief Dell'Orfano reminded that according to the bylaws, the Board of Trustees is composed of the SMFR District board and two "Member Trustees". The Member Trustees serve staggered, two-year terms and each year one of the two positions is up for election. The bylaws outline the methodology for the election process, but the board needs to approve the schedule and details of receiving nominations and conducting the mail ballot election. For 2021, Jack Gilliland's position is up for election and staff proposes to follow the same process as 2020 with the schedule that is attached to this agenda item.

A motion was made by William Shriver and seconded by Hank Eng to approve the 2021 Election Schedule as presented. All were in favor and the motion carried.

DISCUSSION ITEMS

Future Volunteer Benefits – CFO Miskimins reminded that this board asked for an analysis of potential changes to the benefits. An overview of each of the South Metro and Parker Volunteer & Cherry Hills Old-Hire Plans funds and existing benefits comparison was provided.

At Member Burn's request, Legal Counsel Cole confirmed that \$100/month was the maximum amount allowed when the statute went into effect in 1978. In the mid-1990's that amount was increased to \$300. In the late 1990's, the cap was lifted and there were no limits on the amount increase with the understanding that the state will not assist with any benefit over the \$300 amount. CFO Miskimins reviewed the historical contribution rates as determined by the actuarial studies performed every other year.

CFO Miskimins informed that Staff has requested from FPPA an actuarial report providing the cost for incremental increases & the cost to equalize the plan benefits. The estimated timeline for the report is sometime between July and September. Legal Counsel Cole reminded that the benefit levels are based on direction from the district board. Staff hopes to have the information available for the District Board to discuss before the next Pension BOT meeting, noting that any changes would potentially go into effect in 2022.

Chair Albee summarized the discussion stating that, based on benefits paid out, without a plan we would have paid out \$102,000 and beneficiaries can only decrease so the pay out should also only decrease. If the district decides to increase the benefits, it would likely be only about \$40,000 so the magnitude of the decision would be fairly modest.

CFO Miskimins encouraged the Board to think about what the right cost is for the benefit. Chief Baker recommended collecting information from local volunteer retiree plans to set benchmarks.

INFORMATION ITEMS

N/A

EXECUTIVE SESSION

There was no motion to convene to executive session.

NEXT MEETING

Regular Board of Trustees' Meeting to be held in conjunction with the August 2, 2021 SMFR Regular Board Meeting, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

The meeting was adjourned by Chair Albee at 6:47 p.m.

Attested by _____ Date _____

MEMORANDUM

To: Affiliated FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Six Months Ended June 30, 2021
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: July 27, 2021

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 6/30/2021	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	6.61%	9.64%	26.91%	12.10%	11.52%

*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
YTD 6-30-2021	0.06%	0.32%	0.38%
2020	0.13%	0.79%	0.92%
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 August 31, 2021. If FPPA does not receive a response by August 31, 2021, you are confirming that these report items are correct.

Annual Contributions Received

FPPA provides a schedule of your 2021 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2021. **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 were due to FPPA before December 31, 2021 to be included in this report. *Please be aware that most state matching funds received from DOLA for 2020 were received by FPPA in 2021. These will be included in the 2021 reports and support.*

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

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

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 South Metro Fire Rescue Volunteers 540-5
 For the Six Months Ending June 30, 2021**

Type of Expense	2021 Budget	Year-to-Date Expenses	Payment of 2021 Expenses
Actuarial Expenses	\$1,116.60	\$465.25	
Audit Expenses	\$146.43	\$157.63	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,263.03	\$622.88	

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.

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions SOUTH METRO FIRE RESCUE FPD 540-5

For the Reporting Period: 01/01/2021 through 06/30/2021

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
No deposits received for the reporting period			
Total Remittance			\$0.00
Calculated Contribution per the 01/01/2019 Actuarial Study			\$11,311.00
Difference Over/(Under)			\$(11,311.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2021

**Fire and Police Pension Association
South Metro Fire Rescue Volunteers 540-5
For the Six Months Ending June 30, 2021**

Beginning Balance	\$275,932.56
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$18,150.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$18,150.00)
Allocated Income and Expense	
Interest	\$354.84
Dividends	\$654.83
Other Income	\$482.26
Net Change Accrued Income	\$21.92
Unrealized Gain/Loss	\$14,036.81
Realized Gain/Loss	\$10,241.90
Defined Contribution Earnings (Net)	
Investment Expenses	(\$890.48)
Direct Expense Allocation	(\$622.88)
Other Expenses	(\$1,388.94)
Allocated Income and Expense Sub-Total	\$22,890.26
Ending Balance	\$280,672.82

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Cherry Hills FPD Old Hire Plan 505-4
 For the Six Months Ending June 30, 2021**

Type of Expense	2021 Budget	Year-to-Date Expenses	Payment of 2021 Expenses
Actuarial Expenses	\$582.72	\$242.80	
Audit Expenses	\$146.43	\$157.59	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$729.15	\$400.39	

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.

**Fire and Police Pension Association
Cherry Hills FPD Old Hire Plan 505-4
For the Six Months Ending June 30, 2021**

Beginning Balance	\$2,299,070.16
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$180,476.40)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$180,476.40)</u>
Allocated Income and Expense	
Interest	\$6,925.61
Dividends	\$2,413.21
Other Income	\$3,921.29
Net Change Accrued Income	(\$309.74)
Unrealized Gain/Loss	\$79,811.50
Realized Gain/Loss	\$56,963.22
Defined Contribution Earnings (Net)	
Investment Expenses	(\$6,944.27)
Direct Expense Allocation	(\$400.39)
Other Expenses	(\$1,068.42)
Allocated Income and Expense Sub-Total	<u>\$141,312.01</u>
Ending Balance	<u><u>\$2,259,905.77</u></u>

**Cherry Hills Fire (505-4)
2021 Old Hire Contributions**

Contributions Received by FPPA in:	Employer Contributions
January	\$0.00
February	\$0.00
March	\$0.00
April	\$0.00
May	\$0.00
June	\$0.00
July	\$0.00
August	\$0.00
September	\$0.00
October	\$0.00
November	\$0.00
December	\$0.00
Adjustment	\$0.00
Total	\$0.00

Employer Required Contribution per 1/1/2020 Actuarial Study \$216,735

Actual Employer Contribution \$0.00
 Annual Required Employer Contribution \$216,735.00
Employer Difference Over/(Under) (\$216,735.00)

Percentage of Required Contribution Received 0.00%
The Annual Required Contribution Amount is due to FPPA before 12/31/2021

**Fire and Police Pension Association
Parker FPD Volunteers 591-5
For the Six Months Ending June 30, 2021**

Beginning Balance	\$256,830.05
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$32,886.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$32,886.00)</u>
Allocated Income and Expense	
Interest	\$317.39
Dividends	\$583.72
Other Income	\$429.80
Net Change Accrued Income	\$18.92
Unrealized Gain/Loss	\$12,326.71
Realized Gain/Loss	\$9,226.78
Defined Contribution Earnings (Net)	
Investment Expenses	(\$795.71)
Direct Expense Allocation	(\$622.86)
Other Expenses	(\$2,136.82)
Allocated Income and Expense Sub-Total	<u>\$19,347.93</u>
Ending Balance	<u><u>\$243,291.98</u></u>

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Parker FPD Volunteers 591-5
 For the Six Months Ending June 30, 2021**

Type of Expense	2021 Budget	Year-to-Date Expenses	Payment of 2021 Expenses
Actuarial Expenses	\$1,116.60	\$465.25	
Audit Expenses	\$146.43	\$157.61	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,263.03	\$622.86	

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.

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions
PARKER FPD => SOUTH METRO FIRE RESCUE 591-5

For the Reporting Period: 01/01/2021 through 06/30/2021

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
No deposits received for the reporting period			
Total Remittance			\$0.00
Calculated Contribution per the 01/01/2019 Actuarial Study			\$45,550.00
Difference Over/(Under)			\$(45,550.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2021

**Fire and Police Pension Association
Parker FPD Volunteers 591-5
For the Six Months Ending June 30, 2021**

Beginning Balance	\$256,830.05
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$32,886.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$32,886.00)</u>
Allocated Income and Expense	
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Dividends	\$583.72
Other Income	\$429.80
Net Change Accrued Income	\$18.92
Unrealized Gain/Loss	\$12,326.71
Realized Gain/Loss	\$9,226.78
Defined Contribution Earnings (Net)	
Investment Expenses	(\$795.71)
Direct Expense Allocation	(\$622.86)
Other Expenses	(\$2,136.82)
Allocated Income and Expense Sub-Total	<u>\$19,347.93</u>
Ending Balance	<u><u>\$243,291.98</u></u>

**SMFR VOLUNTEER FIREFIGHTER PENSION
BOARD OF TRUSTEES
BOARD AGENDA**

MEETING DATE: 8/2/2021

AGENDA ITEM TYPE: ACTION ITEM

SUBJECT: Election of Officers

BACKGROUND: According to the bylaws, the Board of Trustees needs to elect officers annually in August. The President and Treasurer are intended to be the same as the SMFR District Board President and Treasurer. Therefore, the Board of Trustees needs to elect a Vice President and a Secretary. Below are descriptions of those roles:

5.4 Vice-President. The Vice-President shall serve as presiding officer in the absence of the President, and perform such other duties as required.

5.5 Secretary. The Secretary, or his delegate, shall keep the records of the Board of Trustees; shall act as secretary at meetings of the board and record all votes; shall compose a record of the proceedings of the Board of Trustees in a minute book kept for that purpose which shall be an official record of the Board of Trustees, and shall perform all duties incident to the office. He shall be custodian of the records and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the Board.

RECOMMENDATION: N/A

SUBMITTED BY: Mike Dell'Orfano

APPROVED BY: