

**INTER-CANYON FIRE PROTECTION DISTRICT
PENSION BOARD MEETING
8445 S. Highway 285, Morrison, CO 80456 * 303-697-4413
January 9, 2019**

1. Call To Order

ICFPD Pension Board was called to order at 19:00 hours at Fire Station No. 1

Board Members Present:

Jennifer Volkman, President

Karl Firor, Treasurer

Michael Swenson, Director

Ralph Dreher, Director

Kerry Prielipp, Director

Randy Rudloff, Secretary

David Logan

Board Members Absent

None

Guest:

Debra Swearingen, Canyon Courier

1. Approval of Minutes

There was a motion by Karl Firor with a second by Mike Swenson to approve the October 10, 2018 minutes. The motion passed unanimously.

2. New Business

a. Appoint Officers

It was noted David Logan was re-elected by the membership as Pension Board member at large for the two year period ending December 2020.

MOTION: There was a motion by Karl Firor with a second by Randy Rudloff to appoint David Logan as member at large for another 2 year term; and for current ICFPD board officers to continue to fill identical positions on the Pension Board. The motion passed unanimously.

Financial Condition of the Fund

a. Q 3 2018 FPPA Report

Karl Firor advised the current Q3 report is now available and is included in tonight's meeting packet. The report indicates there is \$115k in expenses and earnings total \$55k. The District is down \$60k in principal. Earnings were 4.2% to date. The contribution of \$105k and \$18,500 in State matching funds will be included in the Q4 financial statement from the FPPA. The Actuarial Report next year will have 2 variables, the negative return this year and the freezing of the plan in 2017.

Randy Rudloff indicated 4 firefighters have resigned without making 5 years of service and will come off the total for potential recipients of a 20 year pension.

Mike asked for confirmation FPPA manages investments. Karl confirmed yes. David noted there is not an outside choice for plan management. David inquired as to what the "other expenses" noted on the report consist of. Karl indicated his assumption is the District, like other members, is allocated and pays a portion of the total indirect expenses for all members of the FPPA. Karl stated he expects the rate of loss to be 4% or 5% negative.

MOTION: There was a motion by Karl Firor with a second by Kerry Prielipp to approve the review of the Q3 2018 FPPA Financial Report. The motion passed unanimously.

3. Old Business

a. Amend By-Laws

Karl asked if everyone had a chance to read the proposed revisions. All responded yes. Any questions? David noted there were 4 sections changed. Karl confirmed. Karl noted the Board will need to make another change at the next meeting to reflect the plan having closed 1/1/17. David suggested to also change the Quorum for the Pension Board members from 3 to 4. David cited the ICFPD Board has 5 members, the Pension Board has 7 members. Karl noted it could be an issue if we needed to make a decision and 4 members could not attend, however, special decisions could be made if necessary, then ratified at a later meeting. It was agreed the two additional revisions will be completed in April. Karl outlined the changes in the current proposed revision.


MOTION: There was a motion by Karl Firor with a second by David Logan to approve Revision E 1/9/19 of the Pension Board By-laws as presented. The motion passes unanimously.

Adjournment

There being no further business before the Board, the meeting was adjourned at 19:17 hours.

Meeting Minutes by Kelley D. Wood, District Administrator

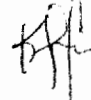
Submitted by:



Randy Rudloff

Secretary

Approved by:



Karl Firor

Treasurer

Attachments:

By-Law Revision E

**Inter-Canyon Fire Protection District
Pension Board Meeting Agenda
8445 S. Highway 285, Morrison, CO 80465
January 9, 2019**

- 1. Call to Order**
 - a. Determination of additions to agenda and sequence
 - b. Approval of Absences
 - c. Acknowledge Guests
 - d. Approval of Pension Board Minutes for the October 10, 2018 meeting.

- 2. New Business**
 - a. Appoint Officers

- 3. Financial Condition of the Fund**
 - a. Review Q3 2018 Report

- 4. Old Business**
 - a. Amend By-Laws – Appeal Process

- 5. Adjournment**

MEMORANDUM

To: Affiliated FPPA Old Hire and Volunteer Pension Plan Employers
From: Dalan Raffaghello, Senior Accountant
Re: Third Quarter 2018
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 22, 2018

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 09/30/2018	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Fund Net of Investment Expense*	2.61%	4.20%	8.83%	8.86%	7.70%

*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
2018 YTD	0.11%	0.51%	0.62%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%
2015	0.22%	0.76%	0.98%

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 6, 2018. If FPPA does not receive a response by November 6th, you are confirming that these report items are correct.

Annual Contributions Received

FPPA provides a schedule of your 2018 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2018. **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, 2018.

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.

	<u>Wire Instructions</u>	<u>ACH Instructions</u>
Bank Name	Wells Fargo	Wells Fargo
Bank Address	420 Montgomery St. San Francisco, CA 94104	420 Montgomery St. San Francisco, CA 94104
ABA#	121000248	102000076
Account #	1010956578	1010956578
FBO	Fire and Police Pension Association	Fire and Police Pension Association
Reference	Direct expense payment	Direct expense payment

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 christa@highbridgefppa.com.

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</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 (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

**Fire and Police Pension Association
Inter-Canyon FPD Volunteers 7187-5
For the Nine Months Ending September 30, 2018**

Beginning Balance	\$1,659,439.17
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations	
Net Benefits	(\$115,434.36)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$115,434.36)</u>
Allocated Income and Expense	
Interest	\$4,758.72
Dividends	\$8,323.95
Other Income	\$7,119.66
Net Change Accrued Income	\$988.04
Unrealized Gain/Loss	(\$4,526.23)
Realized Gain/Loss	\$56,318.54
Defined Contribution Earnings (Net)	
Investment Expenses	(\$8,190.60)
Direct Expense Allocation	(\$333.20)
Other Expenses	(\$9,494.55)
Allocated Income and Expense Sub-Total	<u>\$54,964.33</u>
Ending Balance	<u><u>\$1,598,969.14</u></u>

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions INTER-CANYON FPD 7187-5

For the Reporting Period: 01/01/2018 through 09/30/2018

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
No deposits received for the reporting period			
Total Remittance			\$0.00
Calculated Contribution per the 01/01/2017 Actuarial Study			\$85,398.00
Difference Over/(Under)			\$(85,398.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2018

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Inter-Canyon FPD Volunteers 7187-5
 For the Nine Months Ending September 30, 2018**

Type of Expense	2018 Budget	Year-to-Date Expenses	Payment of 2018 Expenses
Actuarial Expenses	\$292.68	\$195.12	
Audit Expenses	\$138.08	\$138.08	
Total Direct Allocated Expenses & Payments	\$430.76	\$333.20	

Contact Dalan Raffaghello at 720-479-2345 to obtain a detailed expense listing.