

**INTER-CANYON FIRE PROTECTION DISTRICT
PENSION BOARD MEETING
8445 S. Highway 285, Morrison, CO 80456 * 303-697-4413
January 8, 2020**

1. Call to Order

ICFPD Pension Board was called to order at 19:01 hours at Fire Station No. 3

Board Members Present:

Michael Swenson, President
Karl Firor, Treasurer
Kerry Prielipp, Secretary
Ralph Dreher, Director
Mike Reddy, Director
David Logan
Shane Buckles

Board Members Absent

None

Guest:

Debra Swearingen, Canyon Courier
Bob Scott
Gayla Logan

1. Approval of Minutes

There was a motion by Karl Firor with a second by Ralph Dreher to approve the October 9, 2019 minutes. The motion passed unanimously.

2. New Business

- a. Chief Shirlaw requested meeting excused absences be added to the agenda. Chief Shirlaw outlined there are several qualifying areas to meet pension. One is attendance at what was previously known as Business Meetings. Business Meetings were initially needed to conduct business when the department had separate bylaws from the District. This past year it was determined Business Meetings were no longer necessary and have since become Operations trainings.

In the past, people eligible to qualify for pension were required to attend 10 to 12 Business Meetings. Due to work or family emergency there was a provision to be excused from attendance. Chief Shirlaw would like to see the Pension Board remove the outdated requirement as there are no excused trainings, you either attend and benefit from the training or you do not. Mike Reddy asked if this requires a change to the by-laws. It was confirmed, yes. Karl noted they are still getting full credit for training. David Logan asked if we would want to replace the commitment with another commitment. Shane Buckles commented he agreed the excused Business Meeting is no longer pertinent as a qualifier and does not think there needs to be a replacement. Mike Reddy asked how business of district is communicated to members. Chief Shirlaw responded some of the information is briefly discussed at trainings, much can be sent out by email. Mike Swenson asked would the next step be a bylaw change. Karl suggested board members read the bylaws and make the decision at the April meeting.

MOTION: There was a motion by Karl Firor with a second by Mike Reddy for board members to review the bylaws and vote on the proposed change at the April Pension Board Meeting. The motion passed unanimously.

Ralph Dreher stated we made a change there would be no new pension eligibility, it is not in the bylaws. Kelley Wood confirmed both the change in eligibility and the quorum change are both up to date in current bylaws. Ralph stated the bylaws say there are regular increases for inflation. Karl noted there is no required increase unless voted on by the Pension Board. There is no requirement per bylaws, the bylaws read it is possible to add additional benefits, not required. Karl reminded we have frozen the plan. The plan is no longer available to new hires. All participants prior to January 2017 are still eligible and accruing additional benefits. Karl asked for everyone to read the bylaws prior to the April meeting. Kelley advised the bylaws are on Egnyte and she will provide a link as well.

Ralph Dreher stated as a point of interest, we lost Randy Rudloff who took care of the pension etc. He did a great job. Who is managing the pension with FPPA? Karl stated Kelley handles the pension management with FPPA. Karl noted both he and Kelley made the electronic deposit for the pension contribution the first week of December. We also received confirmation the State matched \$18k. FPPA is all digital, all information is maintained, and contributions are made

online. All information is both preferred and required to be managed electronically.

Ralph asked what the fund condition is. Karl responded we received the actuarial report and because life expectancy was raised and assumptions were lowered, the unfunded liability went up \$100k. The District is \$680k short today. The likelihood of increasing benefits is none. Ralph asked how to take care of the unfunded liability. Karl stated the actual amount to fully fund is \$80k. The District is putting \$135k in and continues to fall behind. This year was the first time the District was able to pay current benefits with what was earned. Karl added this is not unusual many pensions are behind. The fund is not making predicted 7.25%. We continue to fund 50% more than what is necessary. In answer to your question we are further and further away from fully funded each time a study comes out. We pay \$40k per quarter. \$30k in administration fees. We need to earn \$200k to come out positive. Our fund balance right now is \$1,600,000. Ralph stated this is what the members asked me. Karl responded we have not cut or added to the pension. This shows no one has been paying attention to this problem over the past 15 years. Ralph stated he spoke with the Chief and some other departments have the same problem. Karl noted Elk Creek Fire is fully funded, there is good and bad.

Ralph continued this should be our goal to be fully funded, what do we need to do to become fully funded. Some other departments bylaws state the money put into the pension fund is tax deductible. Karl responded, no when we put the money away it is not income to the pensioner and is not taxable until they draw the benefit, it then becomes taxable. Ralph continued Chief Shirlaw indicated he has a real problem getting new people, the pension helped departments to get volunteers. Why do we not look at these things again? Karl responded if we had financial capability we could. Karl stated he has been here since 2013, and the pension liability remains a giant hole. Mike Swenson inquired there is a record of paying 50% more than legally required and we are doing better than legal requirement? Karl confirmed yes, this would be under the assumption the pension would be fully funded in 20 years. The pension was \$800k in the hole in 2013. Back then it was funded at \$25k per year. No one followed the actuarial reports. Ralph commented at least we are talking about it. Karl agreed, we are no longer ignoring the problem. Karl advised year end Q4 financials should be available in April. We do need to continue to revisit the unfunded liability as it is not a short-term solution.

3. Financial Condition of the Fund

Q3 Report were covered under New Business.

4. Old Business

None

Adjournment

There being no further business before the Board, the meeting was adjourned at 19:32 hours.

Meeting Minutes by Kelley D. Wood, District Administrator

Submitted by:

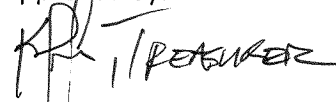


Kerry Prielipp

Secretary

Inter-Canyon Fire Protection District

Approved by:



Karl Firor

Treasurer

Inter-Canyon Fire Protection District