



SOUTH METRO FIRE RESCUE
Volunteer Firefighter Pension Board of Trustees' Regular Meeting
November 4, 2024 at 6:00 p.m.
9195 E. Mineral Avenue, Centennial, CO

AGENDA

I. REGULAR MEETING CALL TO ORDER

A. PLEDGE OF ALLEGIANCE

A. ROLL CALL

B. APPROVAL OF THE AGENDA

C. CONFLICT OF INTEREST DISCLOSURE

D. PUBLIC COMMENT

Public Conduct at Meetings. Comments by members of the public shall be made only during the "Public Comment" portion of the meeting or a specified "Public Hearing," and shall be limited to three minutes per individual and five minutes per group spokesperson unless additional opportunity is given at the Board's discretion. Each member of the public wishing to speak shall identify themselves by name, address, and agenda item, if any, to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are prohibited. Such conduct may result in removal of person(s) responsible for such behavior from the meeting, a request for assistance from law enforcement, and criminal charges filed against such person(s).

E. 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. August 5, 2024 South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees' Regular Board Meeting Minutes
2. Third Quarter 2024 Allocation Reports

F. ACTION ITEMS

1. Actuarial Study Direction for the Parker Volunteer and South Metro Volunteer Plans – Corbo

G. DISCUSSION ITEMS

H. INFORMATION ITEMS

I. NEXT MEETING

Regular Board of Trustees' Meeting to be held in May 2025 at 6:00 p.m. at 9195 E. Mineral Avenue, Centennial, CO.

J. ADJOURNMENT

South Metro Fire Rescue
Volunteer Firefighter Pension Board of Trustees'
Regular Meeting Minutes
August 5, 2024

Present:

Jim Albee, Chair	Bob Baker, Fire Chief (absent)
Jack Gilliland, Vice Chair (absent)	Mike Dell'Orfano, Chief Govt. Affairs Officer
Kevin Leung, Secretary	John Curtis, Deputy Chief – Emergency Services
Rich Sokol, Treasurer	Kristin Eckmann – Deputy Chief – Community Services
Renee Anderson	Matt Weller, Deputy Chief – Internal Services
Bruce Stahlman	Stephanie Corbo, Chief Financial Officer
Sue Roche	Camie Chapman, Chief Human Resources Officer
William Shriver	Javon Quarles, Legal Counsel
Walt Burns	

Others: SMFR Staff Members and guests

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 6:01 p.m.

PLEDGE OF ALLEGIANCE

Chair Albee led the Pledge of Allegiance to the United States of America.

ROLL CALL

All Board members were present in person.

APPROVE AGENDA

Trustee Burns motioned to approve the agenda. Director Shriver seconded the motion. All were in favor and the motion carried.

CONFLICT OF INTEREST DISCLOSURE

Chair Albee asked the Board members to affirm there are no conflicts of interest:

- Director Stahlman – no conflict
- Director Roche – no conflict
- Director Anderson – no conflict
- Chair Albee- no conflict
- Director Shriver – no conflict
- Director Sokol – no conflict
- Director Leung – no conflict
- Trustee Gilliland – no conflict (absent)
- Trustee Burns – no conflict

PUBLIC COMMENT

N/A

CONSENT AGENDA

May 6, 2024 Regular SMFR Volunteer Firefighter Pension Board of Trustees' Meeting Minutes
Second Quarter 2024 Allocation Reports

Director Anderson motioned to approve the consent agenda as presented. Trustee Burns seconded the motion. All were in favor and the motion carried.

ACTION ITEMS

1. **Oath of Office** – Chair Albee conducted the Oath of Office for Member Walt Burns who ran unopposed.
2. **Election of Officers** – Chief Dell’Orfano reminded that 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 Secretary.

Director Anderson motioned to nominate the current officers, included Vice Chair Jack Gilliland and Secretary Kevin Leung. Director Stahlman seconded the motion. All were in favor and the motion carried.

DISCUSSION ITEMS

N/A

INFORMATION ITEMS

Chair Albee reminded Staff that the Board would like to know their options if they choose to periodically raise the pay for members and how that aligns with the actuarial cycle.

EXECUTIVE SESSION

There was no motion to convene to executive session.

NEXT MEETING

Regular Board of Trustees' Meeting to be held on November 4, 2024, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

The meeting was adjourned by Chair Albee at 6:12 p.m.

Attested by _____ Date _____

MEMORANDUM

To: Affiliated FPPA Old Hire Pension Plan and Affiliated Volunteer Pension Plan Employers-Short Term Pool
From: Peggy Job, Senior Accountant
Re: Quarter Ending September 30, 2024
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 28, 2024

Allocation Report

Investment Pool

Your plan assets are commingled for investment purposes in the Members' Benefit Investment Fund – Short-Term ("Pool").

Investment Performance

Returns for the Pool are as follows:

As of 9/30/2024	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	6.98%	6.76%	13.90%	.45%	2.05%

*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 as of December 31, 2023. For 2019, the expenses are summarized as a blended percentage of net assets for the Members' Benefit Investment Fund through June 30, 2019 and the Pool effective July 1, 2019 through December 31, 2019:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
Q3-2024	0.12%	0.27%	0.39%
2023	0.18%	0.40%	0.58%
2022	0.16%	0.34%	0.51%
2021	0.13%	0.52%	0.65%
2020	0.12%	0.30%	0.42%
2019	0.13%	0.80%	0.93%

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 Annual Comprehensive 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 1, 2024. If FPPA does not receive a response December 1, 2024 you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2024 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2024. **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, 2024 to be included in this report.

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).

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	Plan affiliation or disaffiliation or idle funds distributions (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 – Short-Term Pool

**Fire and Police Pension Association
Direct Expense Allocation Summary
Cherry Hills FPD Old Hire Plan 505-4
For the Nine Months Ending September 30, 2024**

Type of Expense	2024 Budget	Year-to-Date Expenses	Payment of 2024 Expenses
Actuarial Expenses	\$2,704.24	\$1,802.80	
Audit Expenses	\$169.46	\$169.46	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$2,873.70	\$1,972.26	

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.

Cherry Hills Fire (505-4)
2024 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 1/1/2022 Actuarial Study \$216,735

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

Percentage of Required Contribution Received 0.00%
The Annual Required Contribution Amount is due to FPPA before 12/31/2024

**Fire and Police Pension Association
Cherry Hills FPD Old Hire Plan 505-4
For the Nine Months Ending September 30, 2024**

Beginning Balance	\$2,064,117.33
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$253,898.74)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$253,898.74)</u>
Allocated Income and Expense	
Interest	\$22,642.21
Dividends	\$2,723.53
Other Income	\$390.48
Net Change Accrued Income	\$4,176.29
Unrealized Gain/Loss	\$93,557.00
Realized Gain/Loss	\$31,024.31
Defined Contribution Earnings (Net)	
Investment Expenses	(\$5,568.28)
Direct Expense Allocation	(\$1,972.26)
Other Expenses	(\$2,316.98)
Allocated Income and Expense Sub-Total	<u>\$144,656.30</u>
Ending Balance	<u><u>\$1,954,874.89</u></u>

**Fire and Police Pension Association
Direct Expense Allocation Summary
South Metro Fire Rescue Volunteers 540-5
For the Nine Months Ending September 30, 2024**

Type of Expense	2024 Budget	Year-to-Date Expenses	Payment of 2024 Expenses
Actuarial Expenses	\$341.52	\$227.68	
Audit Expenses	\$169.46	\$169.46	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$510.98	\$397.14	

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: 01/01/2024 through 09/30/2024

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
No deposits received for the reporting period			
Total Remittance			\$0.00
Calculated Contribution per the 01/01/2023 Actuarial Study			\$43,067.00
Difference Over/(Under)			\$(43,067.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2024

**Fire and Police Pension Association
South Metro Fire Rescue Volunteers 540-5
For the Nine Months Ending September 30, 2024**

Beginning Balance	\$239,444.64
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$49,050.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$49,050.00)</u>
Allocated Income and Expense	
Interest	\$1,122.85
Dividends	\$749.06
Other Income	\$76.27
Net Change Accrued Income	(\$23.75)
Unrealized Gain/Loss	\$13,816.70
Realized Gain/Loss	\$5,275.35
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,048.54)
Direct Expense Allocation	(\$397.14)
Other Expenses	(\$2,780.34)
Allocated Income and Expense Sub-Total	<u>\$16,790.46</u>
Ending Balance	<u>\$207,185.10</u>

**Fire and Police Pension Association
Direct Expense Allocation Summary
Parker FPD Volunteers 591-5
For the Nine Months Ending September 30, 2024**

Type of Expense	2024 Budget	Year-to-Date Expenses	Payment of 2024 Expenses
Actuarial Expenses	\$341.52	\$227.68	
Audit Expenses	\$169.46	\$169.46	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$510.98	\$397.14	

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: 01/01/2024 through 09/30/2024

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 01/01/2023 Actuarial Study	\$87,599.00
Difference Over/(Under)	\$(87,599.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2024

**Fire and Police Pension Association
Parker FPD Volunteers 591-5
For the Nine Months Ending September 30, 2024**

Beginning Balance	\$218,563.66
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$78,400.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$78,400.00)</u>
Allocated Income and Expense	
Interest	\$1,991.53
Dividends	\$275.49
Other Income	\$6.50
Net Change Accrued Income	\$774.74
Unrealized Gain/Loss	\$11,692.63
Realized Gain/Loss	\$1,507.23
Defined Contribution Earnings (Net)	
Investment Expenses	(\$623.35)
Direct Expense Allocation	(\$397.14)
Other Expenses	(\$4,170.55)
Allocated Income and Expense Sub-Total	<u>\$11,057.08</u>
Ending Balance	<u><u>\$151,220.74</u></u>

VOLUNTEER FIREFIGHTER PENSION BOARD OF TRUSTEES AGENDA ITEM STAFF REPORT



Meeting Date: 11/4/2024

Agenda Item Type: Action Item

Agenda Item: Actuarial Study Direction for the Parker Volunteer and South Metro Volunteer Plans

Submitted By: Stephanie Corbo, Chief Financial Officer

Approved: Bob Baker, Fire Chief

SUMMARY:

The Board of Trustees directed staff to research the process for increasing plan benefits for the Parker and South Metro Volunteer Plan Members. Staff will provide that information and ask for direction on what plan benefit scenarios to be evaluated and approval to spend the associated costs.

BACKGROUND:

The Parker and South Metro Volunteer Plans are due for an actuarial study in 2025. If the Board of Trustees wants to evaluate different scenarios for changing benefits, those scenarios are due to FPPA by March, 2025. Based on the Board of Trustees' regular meeting schedule, staff will need direction on the scenarios during the November meeting. Additional information and processes will be discussed during the Board of Trustee meeting.

FINANCIAL IMPACT:

The cost is \$1,500 per plan for up to 3 scenarios to be evaluated in the actuarial study. The costs are covered by the plan.

STRATEGIC INITIATIVE:

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RECOMMENDED ACTION/MOTION:

Potential Motion: I move the direct staff to move forward with the FPPA actuarial study to evaluate plan benefit changes including [insert scenarios] and spend the associated costs for each plan.

ALTERNATIVE OPTIONS:

Click or tap here to enter text.

ATTACHMENTS:

Click or tap here to enter text.