



SOUTH METRO FIRE RESCUE
Volunteer Firefighter Pension Board of Trustees' Regular Meeting
November 10, 2025, at 6:00 p.m.
9195 E. Mineral Avenue, Centennial, CO

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. APPROVAL OF THE AGENDA

E. CONFLICT OF INTEREST DISCLOSURE

F. 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).

G. 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 4, 2025, South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees' Regular Board Meeting Minutes
2. Third Quarter 2025 Allocation Reports

H. ACTION ITEMS

1. Resolution No. 2025-01: A Resolution to Adopt Amended and Restated Bylaws of the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan – Dell'Orfano
2. Resolution No. 2025-02: A Resolution Adopting Retirement Benefit Amounts for the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan - Corbo
 - i. Actuarial Study

I. DISCUSSION ITEMS/POTENTIAL ACTION ITEMS

J. INFORMATION ITEMS

K. EXECUTIVE SESSION (upon motion)

L. NEXT MEETING

Regular Board of Trustees' Meeting to be held in May 2026, at 6:00 p.m. at 9195 E. Mineral Avenue, Centennial, CO.

M. ADJOURNMENT

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

May 5, 2025 SMFR Volunteer Firefighter Pension Board of Trustees’ Regular Board Meeting Minutes
Second Quarter 2025 Allocation Reports

Member Burns recommended the discussion item in the meeting minutes on page two, the last sentence reads the additional change will be on a three-year cycle but it should read two-year cycle.

Director Burns motioned to approve the consent agenda as amended. Director Shriver seconded the motion. 8 were in favor, 0 opposed. The motion carried.

ACTION ITEMS

1. **Oath of Office – Member Trustee Cheryl Poage** – Chair Albee swore in the Oath of Office for the newly elected member trustee.
2. **Recognition – Member Jack Gilliland** – Chair Albee provided a short history of his service and presented him with an engraved plaque, thanking him for his 21 years of service on the Board of Trustees.
3. **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 a Secretary.

Vice President: Director Anderson nominated Walt Burns for Vice President and Kevin Leung for Secretary. Director Shriver seconded the nomination. Walt Burns and Kevin Leung accepted the nominations. 8 were in favor, 0 opposed. Walt Burns was elected Vice Chair and Kevin Leung was elected as Secretary.

DISCUSSION ITEMS

N/A

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 on November 3, 2025, at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

The meeting was adjourned by Chair Albee at 6:21 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: Nine months ended September 30, 2025
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 21, 2025

Allocation Report

Investment Performance

Your plan assets are commingled for investment purposes in the Members’ Benefit Investment Fund – Short-Term (“Pool”). Returns for the Pool are as follows:

Q3-2025	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	2.55%	7.52%	4.97%	7.21%	1.77%

*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:

Year	FPPA Administrative Expense*	Investment Management Expense	Total Expense Ratio
Q3-2025	0.19%	0.41%	0.60%
2024	0.16%	0.45%	0.61%
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%

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 November 15, 2025. If FPPA does not receive a response November 15, 2025 you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2025 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2025. **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, 2025 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, 2025**

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	\$693.72	\$462.48	
Audit Expenses	\$168.40	\$181.10	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$862.12	\$643.58	

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
OLD HIRE CONTRIBUTION SUMMARY
0348_CHERRY HILLS FPD
9/30/2025**

Contribution Amounts Received:	
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
Total Contributions Paid	\$0.00

Required Contribution per 1/1/2024 actuarial valuation/implemented supplemental study: \$216,735.00

Difference Over (Under) between Required Amount and Receipts: **(\$216,735.00)**

The Annual Required Contribution Amount must be received and posted by 12/31/2025

Fire and Police Pension Association
Cherry Hills FPD Old Hire Plan 505-4
For the Nine Months Ending September 30, 2025

Beginning Balance	\$2,039,713.31
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$246,006.09)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$246,006.09)
Allocated Income and Expense	
Interest	\$44,171.33
Dividends	\$3,135.45
Other Income	\$2,972.24
Net Change Accrued Income	\$219.04
Unrealized Gain/Loss	\$54,054.60
Realized Gain/Loss	\$39,925.69
Defined Contribution Earnings (Net)	
Investment Expenses	(\$8,105.52)
Direct Expense Allocation	(\$643.58)
Other Expenses	(\$2,092.42)
Allocated Income and Expense Sub-Total	\$133,636.83
Ending Balance	\$1,927,344.05

MEMORANDUM

To: Affiliated Volunteer Pension Plan Employers - Long Term Pool
From: Peggy Job, Senior Accountant
Re: Nine months ending September 30, 2025
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: October 21, 2025

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):

Q3-2025	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	4.28%	10.28%	10.49%	11.96%	9.19%

*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
Q3-2025	0.12%	0.57%	0.69%
2024	0.15%	0.75%	0.90%
2023	0.17%	0.83%	1.00%
2022	0.14%	0.80%	0.94%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%

How to Calculate Your Plan Specific Expense Ratio

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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
Parker FPD Volunteers 591-5
For the Nine Months Ending September 30, 2025**

Beginning Balance	\$206,784.30
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$78,440.00)
Plan Directed Expenses	(\$1,500.00)
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$79,940.00)
Allocated Income and Expense	
Interest	\$3,742.32
Dividends	\$278.95
Other Income	\$219.46
Net Change Accrued Income	\$11.77
Unrealized Gain/Loss	\$4,415.00
Realized Gain/Loss	\$3,305.40
Defined Contribution Earnings (Net)	
Investment Expenses	(\$684.64)
Direct Expense Allocation	(\$1,018.82)
Other Expenses	(\$4,446.44)
Allocated Income and Expense Sub-Total	\$5,823.00
Ending Balance	\$132,667.30

Fire and Police Pension Association

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

For the Reporting Period: 01/01/2025 through 09/30/2025

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			\$87,599.00
Difference Over/(Under)			\$(87,599.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2025

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Parker FPD Volunteers 591-5
 For the Nine Months Ending September 30, 2025**

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	\$1,261.92	\$837.68	
Audit Expenses	\$168.40	\$181.14	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,430.32	\$1,018.82	

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
South Metro Fire Rescue Volunteers 540-5
For the Nine Months Ending September 30, 2025**

Beginning Balance	\$231,665.81
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$46,890.00)
Plan Directed Expenses	(\$1,500.00)
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$48,390.00)</u>
Allocated Income and Expense	
Interest	\$1,156.76
Dividends	\$831.46
Other Income	\$339.65
Net Change Accrued Income	\$19.75
Unrealized Gain/Loss	\$5,641.31
Realized Gain/Loss	\$13,044.89
Defined Contribution Earnings (Net)	
Investment Expenses	(\$1,209.15)
Direct Expense Allocation	(\$1,018.82)
Other Expenses	(\$2,877.12)
Allocated Income and Expense Sub-Total	<u>\$15,928.73</u>
Ending Balance	<u><u>\$199,204.54</u></u>

Fire and Police Pension Association

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

For the Reporting Period: 01/01/2025 through 09/30/2025

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 12/31/2025

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 South Metro Fire Rescue Volunteers 540-5
 For the Nine Months Ending September 30, 2025**

Type of Expense	2025 Budget	Year-to-Date Expenses	Payment of 2025 Expenses
Actuarial Expenses	\$1,511.88	\$837.68	
Audit Expenses	\$168.40	\$181.14	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,680.28	\$1,018.82	

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.

BOARD OF TRUSTEES AGENDA ITEM

STAFF REPORT



Meeting Date: 11/10/2025

Agenda Item Type: Action Item

Agenda Item: Resolution No. 2025-01: A Resolution to Adopt Amended and Restated Bylaws of the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan

Submitted By: Mike Dell'Orfano, Chief Government Affairs Officer

Approved: John Curtis, Fire Chief

SUMMARY:

Amendments to the Board of Trustees' Bylaws are recommended in order to update terminology, track active and inactive pension plans, and provide an improved method to document plan benefit amounts.

BACKGROUND:

The most recent Board of Trustee bylaws were adopted in 2018. Article IX of the bylaws includes the types of benefits provided to members along with the specific amounts of each benefit. It was recently discovered that the bylaws were not updated in 2021 after benefits were increased. It is staff's opinion that it is a cumbersome process to re-adopt the entire bylaws each time Article IX is amended to reflect new benefits. So, with the potential for additional adjustments to benefits in 2025, it is recommended that the benefit amounts be removed from Article IX of the bylaws and instead, just refer to a resolution that the Board of Trustees would adopt each time benefits are adjusted. Therefore, the 2025 amended and restated bylaws show this change. The corresponding resolution with benefit amounts will be presented later in the board meeting agenda.

Since the bylaws are being amended, staff also recommends specifying which plans are still active or have been terminated. Additionally, references to the "pension fund" have been changed to "pension plan" specially for the Parker and South Metro Volunteer Pension Plans as they do not sit in an individual fund but are funded by South Metro Fire Rescue's General Fund. The Volunteer Pension Board serves as trustees for the Parker and South Metro Volunteer Pension Plans, while also administering the Cherry Hills Pension Fund (which has a dedicated mill levy).

COST:

N/A

STRATEGIC INITIATIVE:

N/A

RECOMMENDED ACTION/MOTION:

Recommended motion:

I move to approve Resolution No. 2025-01: A Resolution to Adopt Amended and Restated Bylaws of the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan.

ALTERNATIVE OPTIONS:

The board could provide additional recommendations and ultimately approve all or a portion of the recommended changes.

ATTACHMENTS:

Resolution No. 2025-01

2025 Amended and Restated Bylaws (redline and clean)

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT VOLUNTEER
FIREFIGHTER PENSION PLAN BOARD OF TRUSTEES**

RESOLUTION NO. 2025-01

**A RESOLUTION TO ADOPT AMENDED AND RESTATED BYLAWS OF THE
BOARD OF TRUSTEES OF THE SOUTH METRO FIRE RESCUE FIRE
PROTECTION DISTRICT VOLUNTEER FIREFIGHTER PENSION PLAN**

WHEREAS, the South Metro Fire Rescue Fire Protection District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District maintains a regularly organized volunteer fire department and is therefore required, pursuant to Section 31-30-1103(1), C.R.S., to have a board of trustees of the volunteer firefighter pension fund; and

WHEREAS, pursuant to Section 31-30-1103(1)(a), C.R.S., the District’s Board of Trustees of the Volunteer Firefighter Pension Plan (“Board”) has the power to adopt and amend bylaws from time to time; and

WHEREAS, pursuant to Section 31-30-1103(1)(a) and (b), C.R.S., the Board is responsible to manage, use, and disburse moneys in the fund according to its rules and bylaws and supervise and control the fund; and

WHEREAS, the Board adopted bylaws on July 8, 1975 which were readopted with amendments on December 9, 1987 and further amended on November 14, 1989, October 11, 1994, and in 2001, 2011, 2016, and 2018; and

WHEREAS, the Board was tasked with administering the pension accounts of the Cherry Hills Old Hire Pension Fund, South Metro Fire Rescue Volunteer Pension Fund, Castlewood Fire Old Hire Pension Plan, and Castlewood Fire Volunteer Pension Plan; and

WHEREAS, the South Metro Fire Rescue Volunteer Pension Fund is now the South Metro Fire Rescue Volunteer Pension Plan, and the fund has been dissolved and incorporated into the District’s General Fund; and

WHEREAS, the Castlewood Fire Old Hire Pension Plan and Castlewood Fire Volunteer Pension Plan have no surviving beneficiaries and have therefore been terminated; and

WHEREAS, due to the passage of time and the change in the operations of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter pensions, the Board has determined that it is appropriate, and in the best interest of efficiency and economy, to again restate and further amend the Board’s bylaws.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan, as follows:

Section 1. Incorporation. The recitals set forth above are incorporated into this Resolution as if set forth in this section in full.

Section 2. Repeal of Prior Bylaws. All bylaws previously adopted by the Board are hereby repealed.

Section 3. Adoption of Bylaws. The Bylaws attached hereto as **Exhibit A** are hereby adopted.

Section 5. Severability. If any part, section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

Section 6. Effective Date. This Resolution shall take effect and be enforced immediately upon its approval by the Board.

ADOPTED this 10th day of November, 2025.

BOARD OF TRUSTEES OF THE SOUTH
METRO FIRE RESCUE FIRE
PROTECTION DISTRICT VOLUNTEER
FIREFIGHTER PENSION PLAN

By _____
Jim Albee, Chair

Attest:

Kevin Leung, Secretary

EXHIBIT A

2025 AMENDED AND RESTATED BYLAWS FOR SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT VOLUNTEER FIREFIGHTER PENSION PLAN

These Bylaws are adopted pursuant to the Volunteer Firefighter Pension Act, § 31-30-1101, et seq., C.R.S. (the “Act”). These Bylaws shall be deemed to be consistent with the Act at all times. All amendments to the Act subsequent to the date hereof will be deemed to be incorporated into and part of these Bylaws. These Bylaws supersede all prior bylaws of the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan, including the “Declaration of Policy and Purpose and Bylaws” on 7-8-75, effective 11-11-75, and readopted, with amendments to Sections 2, 3, 5, 6 and 9, effective 12-9-87 and Section 5 amended, by the Board of Trustees (“Board of Trustees”) of the South Metro Fire Rescue Fire Protection District Pension Plan the 14th day of November 1989, and further amended and renamed “Bylaws”, the 11th day of October, 1994, and amendments adopted in 2001, 2011, 2016, and 2018 to establish a pension plan, in trust, and to create benefits for members of the South Metro Fire Rescue Fire Protection District (“the District”).

ARTICLE I. PRELIMINARY MATTERS

1.1 Name. The name of this pension account shall be the “South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan” (the “Plan”) within the South Metro Fire Rescue Fire Protection District general fund, for the benefit of the volunteers of the South Metro Fire Rescue Fire Protection District. The Plan was previously known as the Parker Fire Protection District Volunteer Firefighter Pension Fund.

1.2 Purpose. This Plan embodies a pension plan of the District for the exclusive benefit of volunteer firefighters of the District and their beneficiaries. Whenever in this trust discretionary power is given to any party or wherever interpretation may be necessary, such power shall be exercised or such interpretation shall be made in a nondiscriminatory manner.

1.3 Exclusive Beneficiaries. In no circumstances shall any part of the corpus or income of this Plan be used for or diverted to purposes other than for the exclusive benefit for the volunteer members of the District or their beneficiaries, as determined by the Board of Trustees, in accordance with these Bylaws and the law.

1.4 Construction of these Bylaws. These Bylaws shall be construed according to the laws of the State of Colorado where it is made and where it shall be performed and enforced.

1.5 Termination by Operation of Law. If the continued existence of these Bylaws beyond a certain period would cause them to fail by operation of law, then they shall continue for the maximum period permitted by law and shall terminate with distribution of all assets as provided by law.

1.6 Administration of Transferred Old Hire and Volunteer Pension Funds. The Board of Trustees, in addition to administration of the Plan, shall also provide the administration of the

following pension funds (“Transferred Old Hire and Volunteer Pension Fund”) which have been transferred to the District through inclusion or consolidation with the fire protection districts that originally established such pension funds. Such administration shall be based on the statutes and requirements applicable to the Transferred Old Hire and Volunteer Pension Fund. The following constitute the Transferred Old Hire and Volunteer Pension Fund.

- A. Cherry Hills Old Hire Pension Fund
- B. South Metro Fire Rescue Volunteer Pension Fund (Terminated)
- C. Castlewood Fire Old Hire Pension Plan (Terminated)
- D. Castlewood Fire Volunteer Pension Plan (Terminated)

ARTICLE II. DEFINITIONS

The following terms, as used in these Bylaws, shall have the following meanings:

2.1 “District” shall mean South Metro Fire Rescue Fire Protection District. The term “District” shall also be construed generally to include any successor organization or any other organization which, with the consent of the District, shall assume the obligations of these Bylaws with respect to the District's voluntary members. Such assumption shall be in writing and shall be signed upon authority of the District, the Trustees and the organization assuming the obligations of these Bylaws.

2.2 “Trustees” shall mean the Board of Trustees of the District’s Volunteer Firefighters Pension Plan.

2.3 “Member” shall mean any person who was on the rolls of the District as a volunteer firefighter pursuant to § 31-30-1102(9), C.R.S. and as evidenced by a certificate from the Secretary of the Board of Directors of the District, or his delegate. Member may refer to an Active Member, Approved Vested Member, or Retired Member.

A. “Active Members” shall mean a Member who, during the previous calendar year, met the requirements of these Bylaws for “Active Service.” The District has no current Active Members.

B. “Approved Vested Members” shall mean a Member who has obtained Vested Rights.

C. “Retired Member” shall mean a Member who has obtained Vested Rights, has reached a minimum age of 50, and has elected to receive pension benefits as approved by the Board of Trustees.

2.4 “Beneficiary” shall mean any Member, estate, trust, or organization entitled to receive any payment or benefit under the provisions of these Bylaws.

2.5 “Age” shall mean the age of a Member upon his just preceding birthday.

2.6 “Active Service” shall mean any calendar year in which a Member maintained a minimum training participation in the District of thirty-six (36) hours, excepting a first or last

partial calendar year of service, before retirement, when a Member shall be entitled to a partial year's credit for active service equal to a fraction, the numerator of which is the number of training hours performed during the partial year and the denominator of which is thirty-six (36) and otherwise complied with these Bylaws. Such period shall include approved leaves of absence as set forth in Section 6.4 of these Bylaws.

2.7 “Retirement Date” shall mean the 50th birth date or any later date occurring on or after the Member attains vested rights and elects to retire.

2.8 “Vested Rights” shall mean the accumulation by a Member of 10 years or more of Active Service.

ARTICLE III. BOARD OF TRUSTEES

3.1 Number and Qualifications. The business and affairs of the Plan shall be managed by the Trustees. The Trustees shall consist of the members of the Board of Directors of the District, and two Trustees elected from the Members and the members of the Transferred Old Hire and Volunteer Pension Fund (the “Member Trustees”).

3.2 Term of Office. The Board of Trustees of the Plan shall serve terms of office on the Board as follows: the members of the District Board of Directors for terms equal to their elected terms for the District, and the two Member Trustees for two-year terms of office.

3.3 Elections. The initial election of the Member Trustees shall be conducted to elect one Trustee for an initial term of two years and one Trustee for an initial term of one year. Subsequent elections of successors to two-year terms shall maintain these staggered terms, there being an election one year for one Member Trustee and the next year for the other Member Trustee. Elections shall take place annually and be completed no later than July 31, based on written notice to Members and members of the Transferred Old Hire and Volunteer Pension Fund that nominations will be accepted in writing prior to the election, followed by a mail ballot election. Unless otherwise provided by the Board of Trustees, notices and mail ballots shall be mailed or emailed to the addresses, as maintained by the FPPA or otherwise maintained by the Board, of each Member and each member of the Transferred Old Hire and Volunteer Pension Fund. Schedules and details of receiving nominations of candidates and conducting the mail ballot election shall be approved by the Board of Trustees. The person who obtains the most votes in an election shall be appointed to serve on the Board of Trustees.

3.4 Successor Trustees. In the event any Member Trustee shall resign or shall be unable to fulfill his term of office, the remaining Trustees may appoint a Member to serve the remainder of the term.

3.5 Liability and Indemnity. Members of the Board of Trustees shall be relieved of all individual liability and responsibility for any act or omission made in good faith or on the advice of counsel and shall be indemnified by the District against all legal actions, damages, or claims brought against them for acts or omissions in pursuit of the Plan’s business, unless said act or omission constitutes gross negligence, willful misconduct, or willful breach of fiduciary duty. No member of the Board of Trustees shall be liable or responsible for any act or omission made by a former member of the Board of Trustees. In the interest of justice, however, the Board of Directors

may be asked to reconsider a past decision and may vote to correct a past decision determined by the Board of Trustees to be against the interest of justice.

ARTICLE IV. MEETINGS OF THE BOARD OF TRUSTEES

4.1 Location of Meetings. The location of regular meetings of the Board of Trustees shall be the District's principal business office located at 9195 East Mineral Avenue, Centennial, Colorado, unless otherwise designated by the Trustees.

4.2 Regular Meeting. Regular meetings of the Board of Trustees shall be conducted on the same date as the monthly regular Board meeting of the District in May, August, and November at 6:00 p.m.

4.3 Special Meetings. Special meetings of the Board of Trustees may be called at any time by the President or by any two members of the Board of Trustees.

4.4 Notice of Meetings. Sections 4.1 and 4.2 of these Bylaws shall constitute formal notice of regular meetings to the Trustees and no other notice shall be required to be given to the Trustees, other than the permanent posting. Written notice of each special meeting, setting forth the time and place of the meeting, and the intended agenda thereof, shall be given to each Trustee not less than 72 hours prior to the time picked for the meeting. This notice may be given either personally, or by sending a copy of the notice via email or through the United States mail, postage prepaid, to the address of each Trustee appearing on the records of the District. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid.

4.5 Waiver of Notice. A Trustee may waive in writing notice of a special meeting of the Board either before, at, or after the meeting and his waiver shall be deemed the equivalent of having been given notice. Attendance of a Trustee at any meeting shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has been unlawfully called or convened.

4.6 Quorum. At meetings of the Board of Trustees, a majority of the Trustees shall be necessary to constitute a quorum for the transacting of business. If a quorum is present, the action of the majority of Trustees in attendance shall be the action of the Board.

4.7 Meetings Open to the Public. Whenever a quorum of the Board of Trustees meets, such meetings shall be open to the public pursuant to the requirements of the Colorado Open Meetings Law, § 24-6-401, *et seq.*, C.R.S.

ARTICLE V. OFFICERS

5.1 Election of Officers. The President and the Treasurer of the Board of Trustees shall be the then current President and Treasurer of the District Board of Directors respectively. The Board of Trustees shall elect from its membership a Vice President and a Secretary by a majority of the Trustees voting at said election. The election of the officers shall be conducted on the same frequency and at the first quarterly meeting following the election of District Board officers.

5.2 Vacancy in Office. Any vacancy occurring in any office shall be filled for the unexpired term in the same manner as is provided for the election of full term officers.

5.3 President. The President shall preside at all meetings of the Board of Trustees. Except as otherwise authorized, the President shall sign all contracts, deeds, notes, debentures, warrants, and other instruments on behalf of the Board of Trustees.

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.

5.6 Treasurer. The Treasurer, or his delegate, shall supervise the financial records of the Plan. He shall countersign all checks, drafts, or other documents, as required by the Board of Trustees. Before assuming the duties of his office, the Treasurer shall be bonded, at the expense of the Plan, in such amounts as the Board of Trustees may direct, but for not less than \$5,000.00.

5.7 Additional Duties. The officers of the Board of Trustees shall perform such other duties and functions as may from time to time be required by the Board of Trustees, by the Bylaws, or by special exigencies, which shall later be ratified by the Board of Trustees.

ARTICLE VI. ELIGIBILITY AND PARTICIPATION

6.1 Participation Eligibility. Each Member shall be eligible to participate in the Plan, subject to the requirements of these Bylaws.

6.2 Notice of Bylaws. Each Member shall be notified by the District or by the Board of Trustees of the existence of the Plan and of its provisions. Each Member shall be provided a copy of the Bylaws of the Plan.

6.3 Application. In order to participate in the Plan, Members may be required to execute such application forms as may be prescribed, from time to time, by the District.

6.4 Leaves of Absence. A Member who takes a leave of absence shall not be construed as having terminated his membership, provided such leave of absence was granted in writing by the District and does not exceed 180 days within any 12 consecutive month period. A leave of absence for military service during which the Member's membership rights were protected by law, or as authorized by the District consistent with these Bylaws, shall not be construed as termination of membership, provided the Member applies for and receives a leave of absence from the District, and returns to the membership rolls of the District on or prior to the expiration date of such leave of absence or within 90 days of his separation from military service, whichever is later. If the Member does not return to Active Service within these periods, he shall be deemed to have

terminated his membership, and forfeited any non-vested rights to benefits. No forfeiture shall be applied to increase the benefits of any other Member of the Plan.

ARTICLE VII. FUNDS

7.1 General Account. Except as may otherwise be provided or in a separate agreement of the Board of Trustees with a bank or trust company as provided for in Section 10.3, the Board of Trustees shall establish an account to be known as the General Account. Except as otherwise hereinafter provided, all amounts received by the Board of Trustees as contributions or other payments to the Plan shall be placed in the General Account. All benefits payable shall be paid out of the General Account.

7.2 Plan Investment. The Board of Trustees may direct the Treasurer to invest the Plan in a non-insured trust pension plan with a bank or trust company authorized to exercise trust powers in Colorado, but the Trustees shall at all times hold fixed income obligations having a book value or cost of not less than 60% of the Plan balance. The Board of Trustees is otherwise authorized to invest the Plan in accordance with the provisions of § 31-30-1113, C.R.S.

7.3 Optional Administration by FPPA. In lieu of the provisions of Sections 7.1 and 7.2 herein, the Board of Trustees may enter into an agreement with the Fire and Police Pension Association, State of Colorado, pursuant to § 31-30-1108(1)(d), C.R.S., for the administration and investment of the Plan. Such agreement shall in all other respects be consistent with these Bylaws.

ARTICLE VIII. INSURANCE

The Trustees may, with the consent in writing of a majority of the Members, insure the Members under the following insurance policies in and from companies authorized to do business in Colorado: (1) individual, group, or blanket life, (2) endowment, or annuity insurance, variable annuity insurance, or (3) disability or liability insurance. The Board of Trustees may pay the premiums on these policies from the Plan, as long as such expenditures do not impair the Plan's ability to pay annuities, monthly benefits, and awards. In the event income shall be insufficient to pay premiums, the amount of coverage provided by such insurance policies shall be decreased so that all beneficiaries of the same class shall receive equal benefits. In no event shall the insurance benefits hereunder for any Member exceed 100 times the monthly retirement benefits of such Member.

ARTICLE IX. BENEFITS

9.1 Disability Pension.

A. Short-Term Disability Benefits. If a Member is injured while in the line of duty as a volunteer firefighter, the Board of Trustees shall pay a short-term disability monthly annuity for not more than one (1) year in the amount of one-half the amount of the Retirement Pension applicable pursuant to section 9.2 at the time of the Member's injury.

B. Long-Term Disability Benefits. If a Member is injured while in the line of duty as a volunteer firefighter, the Board of Trustees shall pay a long-term disability

monthly annuity for a disability that deprives the volunteer firefighter of an earning capacity and that extends beyond one (1) year in an amount of one hundred percent of the Retirement Pension applicable pursuant to section 9.2 at the time of the Member's injury.

C. All applicants for disability pensions shall be examined by one or more physicians selected for the purpose by the Trustees and may be examined by one or more physicians selected by the applicant, at applicant's expense. All expenses of examinations by the physician or physicians chosen by the Trustees shall be paid by the Board of Trustees out of the Plan.

9.2 Retirement Pension. A Member shall be eligible to receive a monthly pension commencing at the age of 50 years, after 20 years Active Service, but no Member shall receive a pension while an Active Member. If any Member shall have served 20 years of Active Service and has not reached 50 years of age, he may, at his request, be relieved from further duty with the District, be certified as an "Approved Vested Member", and retain all rights to his pension at such time as he shall reach 50 years of age. The amount of the monthly retirement pension shall be determined by a resolution of the Board. The Board will endeavor to review and, if necessary, amend the pension amount every two years.

A. Any Member having ten years or more of certified Active Service has Vested Rights to pension benefits upon reaching the minimum age of 50 years. Any Member having attained Vested Rights who has not reached the age of 50 years may request membership status as an Approved Vested Member and retain all rights to his/her pension at such time as he/she reaches 50 years of age. Any Member having attained the age of 50 years with ten years or more of Active Service will be eligible for pension benefits, pro-rated at 1/20th of the benefits being paid at the time the Member retires for each year of accrued time. Any Member who is eligible and who elects to retire under these provisions cannot return to the District to continue serving as a volunteer firefighter. Application for retirement and pension benefits along with birth certificate or proof of birthdate shall be submitted and approved by the Board of Trustees.

B. Any Member having over twenty years of Active Service will be eligible for supplemental pension benefits, over and above the monthly retirement pension provided for above, in a monthly amount equal to five percent of the monthly pension amount for each year of Active Service in excess of 20 years, if an actuarial review indicates a supplemental monthly pension payment is actuarially sound.

9.3 Survivor Benefits. So long as the Plan is actuarially sound, on the death of any Retired Member receiving or eligible to receive pension benefits, his surviving spouse shall receive a monthly annuity of fifty percent of the pension applicable under section 9.2 at the time of the Member's death, plus fifty percent of the Member's supplemental monthly benefit amount for each year of Active Service for which the Retired Member was eligible for supplemental pension benefits under section 9.2(B) herein. The surviving spouse shall receive the same until he/she shall die or remarry, and no dissolution of a subsequent marriage will reinstate the benefits of the surviving spouse.

9.4 Funeral Benefits. When an Active or Retired Member dies, the Board shall pay a funeral benefit to assist in the property burial of the deceased firefighter in the amount determined by a resolution of the Board. The Board will endeavor to review and, if necessary, amend this amount every two years. In no event shall the amount be less than \$100. This benefit shall be paid to any person who pays the necessary funeral expenses.

ARTICLE X. AMENDMENT AND TERMINATION OF TRUST

10.1 Amendments. The Board of Trustees may amend these Bylaws and this Trust at any time or from time to time, by an instrument in writing executed with the same formality as these Bylaws, provided, that no such amendment shall:

A. Increase the duties or liabilities of the Board of Trustees without their written consent.

B. Deprive any participant or any beneficiary of any of the values to which he is entitled under these Bylaws with respect to contributions previously made.

C. Provide for the use of funds or assets held under this Plan other than for the benefit of participants and their beneficiaries and no funds contributed to this Plan or assets of this Plan ever revert to or be used or enjoyed by this District.

D. Deprive any Member of any accrued values to which he is entitled at the time of execution of such separate agreement.

10.2 Termination. The Board of Trustees may terminate this Plan at any time by an instrument in writing, executed with the same formality as these Bylaws, provided, however, that no such termination shall:

A. Deprive any member or any beneficiary of a right vested by reason of these Bylaws.

B. Result in payment to the District of any funds or assets of the Plan.

10.3 Delegation of Trustee's Powers. The Board of Trustees may enter into a separate agreement with any bank or trust company which is authorized to exercise trust powers in the State of Colorado, whereby such bank or trust company may become Co-trustee or sole trustee of the Plan. Such agreement shall be upon such terms and conditions as the Board of Trustees shall deem necessary and proper, but it may not:

A. Relieve the Board of Trustees of their responsibilities under these Bylaws.

B. Deprive anyone who is now a member, or who may become a member, or anyone who is now, or who may become a member of the Plan, of any rights which he or his beneficiaries have or may have under these Bylaws.

C. Remove general management and control of the Plan from the Board of Trustees, except in conformance with Section 7 of these Bylaws.

D. Be contrary to the laws of the State of Colorado.

10.4 Termination Upon Dissolution of District. These Bylaws shall terminate if the District should be legally dissolved or declared bankrupt, or insolvent, provided, upon agreement with the Trustees, a successor organization may be substituted for the District and for the purposes of these Bylaws.

10.5 Consolidation. In the event of any merger, consolidation with or transfer of assets or liabilities to any other plan, each member in the Plan shall, if the Plan is then terminated, be vested with rights and benefits immediately after the merger, consolidation, or transfer which is equal to or greater than the rights and benefits he was entitled to immediately before the merger, consolidation, or transfer.

ARTICLE XI. DUTIES OF TRUSTEES

11.1 Resignation - Succession. Any Trustee may resign in writing, addressed to the District, provided, if such trustee shall be a member of the Board of Directors of the District, he shall, at the same time, tender his resignation as a Director of the District. No successor Trustee shall be obligated to examine the accounts, records, and act of any previous Trustee, or any allocation of funds, or shall such Successor Trustee or Trustees, in any way or manner, be responsible for any act or omission to act on the part of any previous Trustee.

11.2 Trustee Membership. No Trustee shall be precluded from becoming a Member under this Trust, subject to the requirements for eligibility.

11.3 Administrative Expenses. The Board of Trustees shall have authority to pay the expenses of administration of the Plan, including any taxes which may be imposed upon the corpus or income, legal expenses and such compensation as may be agreed upon for agents and employees of the Board of Trustees.

11.4 Inspection of Records. A member or beneficiary may inspect the Board of Trustee's records as they relate to his own participation, at all reasonable times.

11.5 Liability - Indemnity. Except for gross negligence, willful misconduct, or willful breach of this trust, no Trustee shall ever incur any liability for any act or failure to act pursuant hereto. The Trustees shall be protected in acting upon any document believed by them to be genuine and to have been executed or delivered by the party purporting to have executed or delivered same. The Trustees shall be relieved of all responsibility for anything done or not done in good faith or advice of counsel, and shall be indemnified against all legal actions, damages, or claims of whatever manner brought against them for acts or conduct in the pursuit of the Plan's business, except as limited above.

11.6 Adjudication of Actions of Trustees. The Board of Trustees shall have the right to judicial adjudication of their actions. In the event that dispute shall arise as to any act to be performed by the Board of Trustees, the Board of Trustees may postpone performance until adjudication of such dispute in a court of competent jurisdiction, or until they have been indemnified against loss to their satisfaction.

11.7 Interpretation of Bylaws. In the event of any ambiguity in any provision of these Bylaws, the Board of Trustees shall have the power to construe these Bylaws, and their reasonable interpretation and construction of the same, consistent with the language used, the spirit and intent of the Bylaws, and consistent with the law. Such determination, as documented in a resolution of the Board of Trustees, shall be final and conclusive.

ARTICLE XII. MISCELLANEOUS

12.1 Not Employment Contract. These Bylaws shall not be construed as creating any contract of employment between the District and its members.

12.2 Alienation Prohibited. Except as it may be necessary on termination of membership or dissolution of this Trust and these Bylaws, except for assignments for child support purposes as provided by law and except for writs of garnishment which are the result of a judgment taken for arrearages for child support or for child support debt, none of the moneys, funds, annuities, individual accounts, or other benefits of this Plan shall be assignable either in law or equity or be subject to execution, levy, attachment garnishment, or other legal process.

12.3 Insurer Not Responsible. No insurer which may issue any policy upon the application of the Board of Trustees shall be required to take or permit any action contrary to the provisions of such policy, or be bound to allow any benefit or privilege to any person interested in any policy it has issued which is not provided in such policy, or be responsible for the validity of these Bylaws, or be required to look into the terms of these Bylaws or question any act of the Trustees hereunder, or be required to see that any action of the Board of Trustees is authorized by these Bylaws.

12.4 Adjudication and Severability. In all controversies relating to the provisions of these Bylaws and their application, Title 31, Article 30, Part 11 of Colorado Revised Statutes, as amended, shall control, and any adjudication by a tribunal with jurisdiction over the parties and subject matter, upon exhaustion of all right of appeal, concerning the application of such statutes to these Bylaws shall become a part and incorporated in these Bylaws, effective as of the date such decision is rendered. If any section or paragraph of any section of these Bylaws shall be declared illegal or unenforceable, the remaining articles and paragraphs shall, nevertheless, continue, each paragraph being severable from each other paragraph and section, unless to do so would be materially inconsistent with the spirit and intent of the creation of this Plan.

EXHIBIT A

**2025 AMENDED AND RESTATED BYLAWS FOR
SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT
VOLUNTEER FIREFIGHTER PENSION PLAN**

These Bylaws are adopted pursuant to the Volunteer Firefighter Pension Act, § 31-30-1101, et seq., C.R.S. (the “Act”). These Bylaws shall be deemed to be consistent with the Act at all times. All amendments to the Act subsequent to the date hereof will be deemed to be incorporated into and part of these Bylaws. These Bylaws supersede all prior bylaws of the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension ~~PlanFund~~, including the “Declaration of Policy and Purpose and Bylaws” on 7-8-75, effective 11-11-75, and readopted, with amendments to Sections 2, 3, 5, 6 and 9, effective 12-9-87 and Section 5 amended, by the Board of Trustees (“Board of Trustees”) of the South Metro Fire Rescue Fire Protection District Pension ~~PlanFund~~ the 14th day of November 1989, and further amended and renamed “Bylaws”, the 11th day of October, 1994, and amendments adopted in 2001, 2011, ~~and~~ 2016, ~~and~~ 2018 to establish a pension ~~fundplan~~, in trust, and to create benefits for members of the South Metro Fire Rescue Fire Protection District (“the District”).

ARTICLE I. PRELIMINARY MATTERS

1.1 Name. The name of this pension ~~accountfund~~ shall be the “South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan” (the “Plan”) within the South Metro Fire Rescue Fire Protection District general fund, for the benefit of the volunteers of the South Metro Fire Rescue Fire Protection District. The ~~Fund-Plan~~ was previously known as the Parker Fire Protection District Volunteer Firefighter Pension Fund.

1.2 Purpose. This ~~Fund-Plan~~ embodies a pension plan of the District for the exclusive benefit of volunteer firefighters of the District and their beneficiaries. Whenever in this trust discretionary power is given to any party or wherever interpretation may be necessary, such power shall be exercised or such interpretation shall be made in a nondiscriminatory manner.

1.3 Exclusive Beneficiaries. In no circumstances shall any part of the corpus or income of this ~~Fund-Plan~~ be used for or diverted to purposes other than for the exclusive benefit for the volunteer members of the District or their beneficiaries, as determined by the Board of Trustees, in accordance with these Bylaws and the law.

1.4 Construction of these Bylaws. These Bylaws shall be construed according to the laws of the State of Colorado where it is made and where it shall be performed and enforced.

1.5 Termination by Operation of Law. If the continued existence of these Bylaws beyond a certain period would cause them to fail by operation of law, then they shall continue for the maximum period permitted by law and shall terminate with distribution of all assets as provided by law.

1.6 Administration of Transferred Old Hire and Volunteer Pension Funds. The Board of Trustees, in addition to administration of the ~~FundPlan~~, shall also provide the administration of

the following pension funds (“Transferred Old Hire and Volunteer Pension Funds”) which have been transferred to the District through inclusion or consolidation with the fire protection districts that originally established such pension funds. Such administration shall be based on the statutes and requirements applicable to the Transferred Old Hire and Volunteer Pension Funds. The following constitute the Transferred Old Hire and Volunteer Pension Funds.

- A. Cherry Hills Old Hire Pension Fund
- B. South Metro Fire Rescue Volunteer Pension Fund (~~Terminated~~)
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- D. Castlewood Fire Volunteer Pension Plan (~~Terminated~~).

ARTICLE II. DEFINITIONS

The following terms, as used in these Bylaws, shall have the following meanings:

2.1 “District” shall mean South Metro Fire Rescue Fire Protection District. The term “District” shall also be construed generally to include any successor organization or any other organization which, with the consent of the District, shall assume the obligations of these Bylaws with respect to the District's voluntary members. Such assumption shall be in writing and shall be signed upon authority of the District, the Trustees and the organization assuming the obligations of these Bylaws.

2.2 “Trustees” shall mean the Board of Trustees of the District’s Volunteer Firefighters Pension ~~Fund~~Plan.

2.3 “Member” ~~shall mean~~ Aany person who was on the rolls of the District as a volunteer firefighter pursuant to § 31-30-1102(9), C.R.S. and as evidenced by a certificate from the Secretary of the Board of Directors of the District, or his delegate. Member may refer to an Active Member, Approved Vested Member, or Retired Member.

A. “Active Members” ~~shall mean~~ aA Member who, during the previous calendar year, met the requirements of these Bylaws for “Active Service.” The District has no current Active Members.

B. “Approved Vested Members” ~~shall mean~~ Aa Member who has obtained Vested Rights.

C. “Retired Member” ~~shall mean~~ Aa Member who has obtained Vested Rights, has reached a minimum age of 50, and has elected to receive pension benefits as approved by the Board of Trustees.

2.4 “Beneficiary” shall mean any Member, estate, trust, or organization entitled to receive any payment or benefit under the provisions of these Bylaws.

2.5 “Age” shall mean the age of a Member upon his just preceding birthday.

2.6 “Active Service” shall mean any calendar year in which a Member maintained a minimum training participation in the District of thirty-six (36) hours, excepting a first or last

partial calendar year of service, before retirement, when a Member shall be entitled to a partial year's credit for active service equal to a fraction, the numerator of which is the number of training hours performed during the partial year and the denominator of which is thirty-six (36) and otherwise complied with these Bylaws. Such period shall include approved leaves of absence as set forth in Section 6.4 of these Bylaws.

2.7 “Retirement Date” ~~is~~ shall mean the 50th birth date or any later date occurring on or after the Member attains vested rights and elects to retire.

2.8 “Vested Rights” shall mean the accumulation by a Member of 10 years or more of Active Service.

ARTICLE III. BOARD OF TRUSTEES

3.1 Number and Qualifications. The business and affairs of the ~~Fund-Plan~~ shall be managed by the Trustees. The Trustees shall consist of the members of the Board of Directors of the District, and two Trustees elected from the Members and the members of the Transferred Old Hire and Volunteer Pension Funds (the “Member Trustees”).

3.2 Term of Office. The Board of Trustees of the ~~Fund-Plan~~ shall serve terms of office on the Board as follows: the members of the District Board of Directors for terms equal to their elected terms for the District, and the two Member Trustees for two-year terms of office.

3.3 Elections. The initial election of the Member Trustees shall be conducted to elect one Trustee for an initial term of two years and one Trustee for an initial term of one year. Subsequent elections of successors to two-year terms shall maintain these staggered terms, there being an election one year for one Member Trustee and the next year for the other Member Trustee. Elections shall take place annually and be completed no later than July 31, based on written notice to Members and members of the Transferred Old Hire and Volunteer Pension Funds that nominations will be accepted in writing prior to the election, followed by a mail ballot election. Unless otherwise provided by the Board of Trustees, notices and mail ballots shall be mailed or emailed to the addresses, as maintained by the FPPA or otherwise maintained by the Board, of each Member and each member of the Transferred Old Hire and Volunteer Pension Funds. Schedules and details of receiving nominations of candidates and conducting the mail ballot election shall be approved by the Board of Trustees. The person who obtains the most votes in an election shall be appointed to serve on the Board of Trustees.

3.4 Successor Trustees. In the event any Member Trustee shall resign or shall be unable to fulfill his term of office, the remaining Trustees may appoint a Member to serve the remainder of the term.

3.5 Liability and Indemnity. Members of the Board of Trustees shall be relieved of all individual liability and responsibility for any act or omission made in good faith or on the advice of counsel and shall be indemnified by the District against all legal actions, damages, or claims brought against them for acts or omissions in pursuit of the ~~Fund's-Plan's~~ business, unless said act or omission constitutes gross negligence, willful misconduct, or willful breach of fiduciary duty. No member of the Board of Trustees shall be liable or responsible for any act or omission made by a former member of the Board of Trustees. In the interest of justice, however, the Board of

Directors may be asked to reconsider a past decision and may vote to correct a past decision determined by the Board of Trustees to be against the interest of justice.

ARTICLE IV. MEETINGS OF THE BOARD OF TRUSTEES

4.1 Location of Meetings. The location of regular meetings of the Board of Trustees shall be ~~held at~~ the District's principal business office located at 9195 East Mineral Avenue, Centennial, Colorado, unless otherwise designated by the Trustees.

4.2 Regular Meeting. Regular meetings of the Board of Trustees shall be conducted on the same date as the monthly regular Board meeting of the District in May, August, and November at 6:00 p.m.

4.3 Special Meetings. Special meetings of the Board of Trustees may be called at any time by the President or by any two members of the Board of Trustees.

4.4 Notice of Meetings. Sections 4.1 and 4.2 of these Bylaws shall constitute formal notice of regular meetings to the Trustees and no other notice shall be required to be given to the Trustees, other than the permanent posting. Written notice of each special meeting, setting forth the time and place of the meeting, and the intended agenda thereof, shall be given to each Trustee not less than 72 hours prior to the time picked for the meeting. This notice may be given either personally, or by sending a copy of the notice via email or through the United States mail, postage prepaid, to the address of each Trustee appearing on the records of the District. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid.

4.5 Waiver of Notice. A Trustee may waive in writing notice of a special meeting of the Board either before, at, or after the meeting and his waiver shall be deemed the equivalent of having been given notice. Attendance of a Trustee at any meeting shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has been unlawfully called or convened.

4.6 Quorum. At meetings of the Board of Trustees, a majority of the Trustees shall be necessary to constitute a quorum for the transacting of business. If a quorum is present, the action of the majority of Trustees in attendance shall be the action of the Board.

4.7 Meetings Open to the Public. Whenever a quorum of the Board of Trustees meets, such meetings shall be open to the public pursuant to the requirements of the Colorado Open Meetings Law, § 24-6-401, *et seq.*, C.R.S.

ARTICLE V. OFFICERS

5.1 Election of Officers. The President and the Treasurer of the Board of Trustees shall be the then current President and Treasurer of the District Board of Directors respectively. The Board of Trustees shall elect from its membership a Vice President and a Secretary by a majority of the Trustees voting at said election. The election of the officers shall be conducted on the same frequency and at the first quarterly meeting following the election of District Board officers.

5.2 Vacancy in Office. Any vacancy occurring in any office shall be filled for the unexpired term in the same manner as is provided for the election of full term officers.

5.3 President. The President shall preside at all meetings of the Board of Trustees. Except as otherwise authorized, the President shall sign all contracts, deeds, notes, debentures, warrants, and other instruments on behalf of the Board of Trustees.

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.

5.6 Treasurer. The Treasurer, or his delegate, shall supervise the financial records of the PlanFund. He shall countersign all checks, drafts, or other documents, as required by the Board of Trustees. Before assuming the duties of his office, the Treasurer shall be bonded, at the expense of the FundPlan, in such amounts as the Board of Trustees may direct, but for not less than \$5,000.00.

5.7 Additional Duties. The officers of the Board of Trustees shall perform such other duties and functions as may from time to time be required by the Board of Trustees, by the Bylaws, or by special exigencies, which shall later be ratified by the Board of Trustees.

ARTICLE VI. ELIGIBILITY AND PARTICIPATION

6.1 Participation Eligibility. Each Member shall be eligible to participate in the FundPlan, subject to the requirements of these Bylaws.

6.2 Notice of Bylaws. Each Member shall be notified by the District or by the Board of Trustees of the existence of the FundPlan and of its provisions. Each Member shall be provided a copy of the Bylaws of the FundPlan.

6.3 Application. In order to participate in the FundPlan, Members may be required to execute such application forms as may be prescribed, from time to time, by the District.

6.4 Leaves of Absence. A Member who takes a leave of absence shall not be construed as having terminated his membership, provided such leave of absence was granted in writing by the District and does not exceed 180 days within any 12 consecutive month period. A leave of absence for military service during which the Member's membership rights were protected by law, or as authorized by the District consistent with these Bylaws, shall not be construed as termination of membership, provided the Member applies for and receives a leave of absence from the District, and returns to the membership rolls of the District on or prior to the expiration date of such leave of absence or within ~~ninety~~ (90) days of his separation from military service, whichever is later. If the Member does not return to Active Service within these periods, he shall be deemed to have

terminated his membership, and forfeited any non-vested rights to benefits. No forfeiture shall be applied to increase the benefits of any other Member of the FundPlan.

ARTICLE VII. FUNDS

7.1 General Account. Except as may otherwise be provided or in a separate agreement of the Board of Trustees with a bank or trust company as provided for in Section 10.3, the Board of Trustees shall establish an account to be known as the General Account. Except as otherwise hereinafter provided, all amounts received by the Board of Trustees as contributions or other payments to the Fund-Plan shall be placed in the General Account. All benefits payable shall be paid out of the General Account.

7.2 PlanFund Investment. The Board of Trustees may direct the Treasurer to invest the Fund-Plan in a non-insured trust pension plan with a bank or trust company authorized to exercise trust powers in Colorado, but the Trustees shall at all times hold fixed income obligations having a book value or cost of not less than 60% of the Fund-Plan balance. The Board of Trustees is otherwise authorized to invest the Fund-Plan in accordance with the provisions of § 31-30-1113, C.R.S.

7.3 Optional Administration by FPPA. In lieu of the provisions of Sections 7.1 and 7.2 herein, the Board of Trustees may enter into an agreement with the Fire and Police Pension Association, State of Colorado, pursuant to § 31-30-1108(1)(d), C.R.S., for the administration and investment of the FundPlan. Such agreement shall in all other respects be consistent with these Bylaws.

ARTICLE VIII. INSURANCE

The Trustees may, with the consent in writing of a majority of the Members, insure the Members under the following insurance policies in and from companies authorized to do business in Colorado: (1) individual, group, or blanket life, (2) endowment, or annuity insurance, variable annuity insurance, or (3) disability or liability insurance. The Board of Trustees may pay the premiums on these policies from the FundPlan, as long as such expenditures do not impair the Fund's-Plan's ability to pay annuities, monthly benefits, and awards. In the event income shall be insufficient to pay premiums, the amount of coverage provided by such insurance policies shall be decreased so that all beneficiaries of the same class shall receive equal benefits. In no event shall the insurance benefits hereunder for any Member exceed 100 times the monthly retirement benefits of such Member.

ARTICLE IX. BENEFITS

9.1 Disability Pension.

A. Short-Term Disability Benefits. If a Member is injured while in the line of duty as a volunteer firefighter, the Board of Trustees shall pay a short-term disability monthly annuity for not more than one (1) year in the amount of \$210one-half the amount of the Retirement Pension applicable pursuant to section 9.2 at the time of the Member's injury.

B. Long-Term Disability Benefits. If a Member is injured while in the line of duty as a volunteer firefighter, the Board of Trustees shall pay a long-term disability monthly annuity for a disability that deprives the volunteer firefighter of an earning capacity and that extends beyond one (1) year in an amount of \$420 one hundred percent of the Retirement Pension applicable pursuant to section 9.2 at the time of the Member's injury.

C. All applicants for disability pensions shall be examined by one or more physicians selected for the purpose by the Trustees and may be examined by one or more physicians selected by the applicant, at applicant's expense. All expenses of examinations by the physician or physicians chosen by the Trustees shall be paid by the Board of Trustees out of the FundPlan.

9.2 Retirement Pension. A Member shall be eligible to receive a monthly pension of \$420.00 per month commencing at the age of 50 years, after 20 years Active Service, but no Member shall receive a pension while an Active Member. If any Member shall have served 20 years of Active Service and has not reached 50 years of age, he may, at his request, be relieved from further duty with the District, be certified as an "Approved Vested Member", and retain all rights to his pension at such time as he shall reach 50 years of age. The amount of the monthly retirement pension shall be determined by a resolution of the Board. The Board will endeavor to review and, if necessary, amend the pension amount every two years.

A. Any Member having ten years or more of certified Active Service has Vested Rights to pension benefits upon reaching the minimum age of 50 years. Any Member having attained Vested Rights and who has not reached the age of 50 years may request membership status as an Approved Vested Member and retain all rights to his/her pension at such time as he/she shall reaches 50 years of age. Any Member having attained the age of 50 years with ten years or more of Active Service will be eligible for pension benefits, pro-rated at 1/20th of the benefits being paid at the time the Member retires for each year of accrued time. Any Member who is eligible and who elects to retire under these provisions cannot return to the District to continue serving as a volunteer firefighter. Application for retirement and pension benefits along with birth certificate or proof of birthdate shall be submitted and approved by the Board of Trustees.

B. Any Member having over twenty years of Active Service will be eligible for supplemental pension benefits, over and above the \$420.00 monthly retirement pension provided for above, in a monthly amount equal to \$21.00 five percent of the monthly pension amount for each year of Active Service in excess of 20 years, if an actuarial review indicates a supplemental monthly pension payment is actuarially sound.

9.3 Survivor Benefits. So long as the Fund-Plan is actuarially sound, on the death of any Retired Member receiving or eligible to receive pension benefits, his surviving spouse shall receive a monthly annuity of \$210, which is fifty percent of the pension applicable under section 9.2 at the time of the Member's death, plus fifty percent of the Member's supplemental monthly benefit amount \$10.50 for each year of Active Service for which the Retired Member was eligible for supplemental pension benefits under section 9.23(B) herein. The surviving spouse shall receive

the same until he/she shall die or remarry, and no dissolution of a subsequent marriage will reinstate the benefits of the surviving spouse.

9.4 Funeral Benefits. When an Active or Retired Member dies, the Board shall pay a funeral benefit to assist in the property burial of the deceased firefighter in the amount determined by a resolution of the Board. The Board will endeavor to review and, if necessary, amend this amount every two years of \$500. In no event shall the amount be less than \$100. This benefit shall be paid to any person who pays the necessary funeral expenses.

ARTICLE X. AMENDMENT AND TERMINATION OF TRUST

10.1 Amendments. The Board of Trustees may amend these Bylaws and this Trust at any time or from time to time, by an instrument in writing executed with the same formality as these Bylaws, provided, that no such amendment shall:

- A. Increase the duties or liabilities of the Board of Trustees without their written consent.
- B. Deprive any participant or any beneficiary of any of the values to which he is entitled under these Bylaws with respect to contributions previously made.
- C. Provide for the use of funds or assets held under this Fund-Plan other than for the benefit of participants and their beneficiaries and no funds contributed to this Fund Plan or assets of this Fund-Plan ever revert to or be used or enjoyed by this District.
- D. Deprive any Member of any accrued values to which he is entitled at the time of execution of such separate agreement.

10.2 Termination. The Board of Trustees may terminate this Fund-Plan at any time by an instrument in writing, executed with the same formality as these Bylaws, provided, however, that no such termination shall:

- A. Deprive any member or any beneficiary of a right vested by reason of these Bylaws.
- B. Result in payment to the District of any funds or assets of the FundPlan.

10.3 Delegation of Trustee's Powers. The Board of Trustees may enter into a separate agreement with any bank or trust company which is authorized to exercise trust powers in the State of Colorado, whereby such bank or trust company may become Co-trustee or sole trustee of the FundPlan. Such agreement shall be upon such terms and conditions as the Board of Trustees shall deem necessary and proper, but it may not:

- A. Relieve the Board of Trustees of their responsibilities under these Bylaws.
- B. Deprive anyone who is now a member, or who may become a member, or anyone who is now, or who may become a member of the FundPlan, of any rights which he or his beneficiaries have or may have under these Bylaws.

C. Remove general management and control of the Fund-Plan from the Board of Trustees, except in conformance with Section 7 of these Bylaws.

D. Be contrary to the laws of the State of Colorado.

10.4 Termination Upon Dissolution of District. These Bylaws shall terminate if the District should be legally dissolved or declared bankrupt, or insolvent, provided, upon agreement with the Trustees, a successor organization may be substituted for the District and for the purposes of these Bylaws.

10.5 Consolidation. In the event of any merger, consolidation with or transfer of assets or liabilities to any other plan, each member in the Fund-Plan shall, if the Fund-Plan is then terminated, be vested with rights and benefits immediately after the merger, consolidation, or transfer, which is equal to or greater than the rights and benefits he was entitled to immediately before the merger, consolidation, or transfer.

ARTICLE XI. DUTIES OF TRUSTEES

11.1 Resignation - Succession. Any Trustee may resign in writing, addressed to the District, provided, if such trustee shall be a member of the Board of Directors of the District, he shall, at the same time, tender his resignation as a Director of the District. No successor Trustee shall be obligated to examine the accounts, records, and act of any previous Trustee, or any allocation of funds, or shall such Successor Trustee or Trustees, in any way or manner, be responsible for any act or omission to act on the part of any previous Trustee.

11.2 Trustee Membership. No Trustee shall be precluded from becoming a Member under this Trust, subject to the requirements for eligibility.

11.3 Administrative Expenses. The Board of Trustees shall have authority to pay the expenses of administration of the FundPlan, including any taxes which may be imposed upon the corpus or income, legal expenses and such compensation as may be agreed upon for agents and employees of the Board of Trustees.

11.4 Inspection of Records. A member or beneficiary may inspect the Board of Trustee's records as they relate to his own participation, at all reasonable times.

11.5 Liability - Indemnity. Except for gross negligence, willful misconduct, or willful breach of this trust, no Trustee shall ever incur any liability for any act or failure to act pursuant hereto. The Trustees shall be protected in acting upon any document believed by them to be genuine and to have been executed or delivered by the party purporting to have executed or delivered same. The Trustees shall be relieved of all responsibility for anything done or not done in good faith or advice of counsel, and shall be indemnified against all legal actions, damages, or claims of whatever manner brought against them for acts or conduct in the pursuit of the Fund's Plan's business, except as limited above.

11.6 Adjudication of Actions of Trustees. The Board of Trustees shall have the right to judicial adjudication of their actions. In the event that dispute shall arise as to any act to be performed by the Board of Trustees, the Board of Trustees may postpone performance until

adjudication of such dispute in a court of competent jurisdiction, or until they have been indemnified against loss to their satisfaction.

11.7 Interpretation of Bylaws. In the event of any ambiguity in any provision of these Bylaws, the Board of Trustees shall have the power to construe these Bylaws, and their reasonable interpretation and construction of the same, consistent with the language used, the spirit and intent of the Bylaws, and consistent with the law. Such determination, as documented in a resolution of the Board of Trustees, shall be final and conclusive.

ARTICLE XII. MISCELLANEOUS

12.1 Not Employment Contract. These Bylaws shall not be construed as creating any contract of employment between the District and its members.

12.2 Alienation Prohibited. Except as it may be necessary on termination of membership or dissolution of this Trust and these Bylaws, except for assignments for child support purposes as provided by law and except for writs of garnishment which are the result of a judgment taken for arrearages for child support or for child support debt, none of the moneys, funds, annuities, individual accounts, or other benefits of this ~~Fund-Plan~~ shall be assignable either in law or equity or be subject to execution, levy, attachment garnishment, or other legal process.

12.3 Insurer Not Responsible. No insurer which may issue any policy upon the application of the Board of Trustees shall be required to take or permit any action contrary to the provisions of such policy, or be bound to allow any benefit or privilege to any person interested in any policy it has issued which is not provided in such policy, or be responsible for the validity of these Bylaws, or be required to look into the terms of these Bylaws or questions any act of the Trustees hereunder, or be required to see that any action of the Board of Trustees is authorized by these Bylaws.

12.4 Adjudication and Severability. In all controversies relating to the provisions of these Bylaws and their application, Title 31, Article 30, Part 11 of Colorado Revised Statutes, as amended, shall control, and any adjudication by a tribunal with jurisdiction over the parties and subject matter, upon exhaustion of all right of appeal, concerning the application of such statutes to these Bylaws shall become a part and incorporated in these Bylaws, effective as of the date such decision is rendered. If any section or paragraph of any section of these Bylaws shall be declared illegal or unenforceable, the remaining articles and paragraphs shall, nevertheless, continue, each paragraph being severable from each other paragraph and sSection, unless to do so would be materially inconsistent with the spirit and intent of the creation of this ~~PlanFund~~.

BOARD OF TRUSTEES AGENDA ITEM

STAFF REPORT



Meeting Date: 11/10/2025

Agenda Item Type: Action Item

Agenda Item: Resolution No. 2025-02: A Resolution Adopting Retirement Benefit Amounts for the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan

Submitted By: Stephanie Corbo, Chief Financial Officer

Approved: John Curtis, Fire Chief

SUMMARY:

The Volunteer Pension Board of Trustees requested staff to hire FPPA to do an actuarial study for the retiree benefits. The Board will then need to select to keep the current benefit or increase to one of the other two plans.

BACKGROUND:

The benefit amount for these plans was last updated in 2021 from \$420 per month to \$800 per month. With the recent inflationary increases the board directed staff to hire FPPA to conduct an actuarial study on these plans with 3 scenario's:

Scenario 1: No change – maintain current \$800 monthly benefit

Scenario 2: +13.4% – full inflationary catch-up since the 2021 adjustment

Scenario 3: +6.7% – half of the inflationary catch-up in Scenario 2

The plan shows that with no changes the South Metro Volunteer Plan needs to be increased by \$234 per year. The Parker Volunteer Plan does not need an increase, in fact the annual contribution amount decreases by \$2,505. Generating a net decrease between the two plans of \$2,281.

These plans are funded out of the South Metro Fire District General Fund. The current 2026 General Fund budget assumed these contributions as flat to the current plan. If the Board selects Plan A or Plan B, an increase will be needed for the General Fund in 2026. The plan that is selected will begin January 2026.

COST:

Annual Cost Breakdown for both plans:

Scenario 1: \$126,445

Scenario 2: \$142,369

Scenario 3: \$158,293

STRATEGIC INITIATIVE:

N/A

RECOMMENDED ACTION/MOTION:

Recommended motion:

I move to approve Resolution No. 2025-02: A Resolution Adopting Retirement Benefit Amounts for the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan using Scenario (insert 1, 2, or 3) as Exhibit A.

ALTERNATIVE OPTIONS:

The board can maintain benefit amounts established in 2021 or increase to the plans evaluated in the actuarial studies.

ATTACHMENTS:

Resolution No. 2025-02

Overview Presentation

Actuarial Valuation Reports – Parker & South Metro

FPPA Procedures

Actuarial Valuation Result Memos (2)

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT VOLUNTEER
FIREFIGHTER PENSION PLAN BOARD OF TRUSTEES**

RESOLUTION NO. 2025-02

**A RESOLUTION ADOPTING RETIREMENT BENEFIT AMOUNTS FOR THE
SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT VOLUNTEER
FIREFIGHTER PENSION PLAN**

WHEREAS, the South Metro Fire Rescue Fire Protection District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District maintains a regularly organized volunteer fire department and is therefore required, pursuant to Section 31-30-1103(1), C.R.S., to have a board of trustees of the volunteer firefighter pension fund; and

WHEREAS, pursuant to Section 31-30-1103(1)(a) and (b), C.R.S., the District’s Board of Trustees of the Volunteer Firefighter Pension Plan (“Board”) is responsible for managing, using, and disbursing moneys in the fund according to its rules and bylaws and supervise and control the fund; and

WHEREAS, the Board, by Resolution No. 2025-01, adopted its bylaws (“2025 Amended and Restated Bylaws”) providing that the pension amounts shall be established by a resolution adopted by the Board from time to time; and

WHEREAS, the Board now desires to establish and set forth the pension amounts.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan, as follows:

Section 1. Incorporation. The recitals set forth above are incorporated and ordained as if set forth in this section in full.

Section 2. Retirement Pension Amounts. In accordance with the 2025 Amended and Restated Bylaws, the retirement pension amounts for the South Metro Fire Rescue Fire Protection District Volunteer Firefighter Pension Plan shall be as set forth in **Exhibit A**, which is hereby approved and adopted.

Section 3. Repeal of Prior Resolutions. All resolutions of the Board inconsistent with this Resolution are hereby repealed to the extent of such inconsistency and all actions of the officers, agents, and employees of the District that are in furtherance of or in conformance with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

Section 4. **Severability.** If any part, section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

Section 5. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the Board.

ADOPTED this 10th day of November, 2025.

BOARD OF TRUSTEES OF THE SOUTH
METRO FIRE RESCUE FIRE
PROTECTION DISTRICT VOLUNTEER
FIREFIGHTER PENSION PLAN

By _____
Jim Albee, Chair

Attest:

Kevin Leung, Secretary

EXHIBIT A

Volunteer Firefighter Pension Plan Retirement Benefit Amounts:

Benefit	Bylaws Section	Amount
Short-term disability benefit	9.1(A)	\$400.00
Long-term disability benefit	9.1(B)	\$800.00
Retirement pension	9.2	\$800.00
Supplemental monthly pension	9.2(B)	\$40.00
Survivor benefit	9.3	\$400.00
Funeral benefit	9.4	\$500.00

EXHIBIT A

Volunteer Firefighter Pension Plan Retirement Benefit Amounts:

Benefit	Bylaw Section	Amount
Short-term disability benefit	9.1(A)	\$426.80
Long-term disability benefit	9.1(B)	\$853.60
Retirement pension	9.2	\$853.60
Supplemental monthly pension	9.2(B)	\$42.68
Survivor benefit	9.3	\$426.80
Funeral benefit	9.4	\$500.00

EXHIBIT A

Volunteer Firefighter Pension Plan Retirement Benefit Amounts:

Benefit	Bylaw Section	Amount
Short-term disability benefit	9.1(A)	\$453.60
Long-term disability benefit	9.1(B)	\$907.20
Retirement pension	9.2	\$907.20
Supplemental monthly pension	9.2(B)	\$45.36
Survivor benefit	9.3	\$453.60
Funeral benefit	9.4	\$500.00



South Metro Fire Rescue

Volunteer Pension Board of Directors

Actuarial Study

Parker & South Metro Fire Volunteer Plans

November 10, 2025

Agenda

- Background
- Actuary Study
- Supplemental will be needed in 2026 if Plan A or B are selected
- Summary of Benefits
- Funeral Benefit
- Board Discussion & Decision



Background

South Metro Fire Rescue (SMFR) administers **three legacy pension funds**, all closed **to new members** and providing benefits to retirees only.

These funds are overseen by the **Fire & Police Pension Association (FPPA)**, which manages investments, performs biennial actuarial studies, and determines contribution requirements.

Although each fund is valued and funded separately, they are all governed the Volunteer Pension Board composed of the **South Metro Fire Rescue Board of Directors and two members of the pension plans.**



What Prompted This Review

- Earlier this year, it was noted that **Cherry Hills retirees received a benefit increase in 2024**
- The **Parker and South Metro Volunteer Plans** last received an increase in **2021**
- With **higher-than-normal inflation** since that time, the Board asked staff to include funding scenario's in the 2025 actuarial analysis for Parker & South Metro Volunteer Pension plans to evaluate the cost of an inflationary “catch-up” adjustment

Scenarios Evaluated (2021–2025)

Scenario 1: No change – maintain current \$800 monthly benefit

Scenario 2: +13.4% – full inflationary catch-up since the 2021 adjustment

Scenario 3: +6.7% – half of the inflationary catch-up in Scenario 2

Note: While **Cherry Hills** follows a **different calendar year**, all three plans are evaluated and will continue on a **biennial cycle** moving forward.



Plans Managed by SMFR Overview

Plan	Type	Funding Method	Status
South Metro Volunteer Firefighter Pension Plan	Volunteer	South Metro Fire District	Closed; retirees only
Parker Volunteer Firefighter Pension Plan	Volunteer	South Metro Fire District	Closed; retirees only
Cherry Hills Old Hire Pension Plan	Career / Old Hire	0.50 mill levy (Cherry Hills)	Closed; retirees only; separate FPPA cycle

Note: Cherry Hills is managed by the Volunteer Pension Board but operates under its own FPPA actuarial cycle and dedicated funding source.



Plan Participants (2025)

Benefit Type	South Metro Volunteer	Parker Volunteer	Cherry Hills Old Hire	Total Participants
Retirement (Base)	11	16	6	33
Survivor	0	1	2	3
Supplemental (>20 yrs)	2	4	–	6
Short-Term Disability	0	0	0	0
Long-Term Disability	0	0	0	0
Funeral Benefit	–	–	–	—
Total Beneficiaries	11	17	8	36



2026 Benefit Scenario's

Scenario	Description	Base Monthly Pension	Purpose
Hold Flat	Maintain current \$800 pension	\$800	No change
Plan A (+6.7%)	Half of inflation since 2021	\$853.60	Partial catch-up
Plan B (+13.4%)	Full inflation since 2021	\$907.20	Full catch-up



Parker Volunteer Pension Plan

Scenario	FPPA Calculated Contribution	SMFR Assumed Contribution	Increase / (Surplus)
Current Plan	\$85,094	\$87,599	(\$2,505)
Plan A (+6.7%)	\$94,829	\$87,599	\$7,230
Plan B (+13.4%)	\$104,564	\$87,599	\$16,965
<p>✓ Parker's current contribution exceeds FPPA's required amount, creating a small funding surplus under the current plan.</p>			
<p>Both Plan A and Plan B would require additional funding to maintain actuarial balance.</p>			



South Metro Volunteer Pension Plan

Scenario	FPPA Calculated Contribution	SMFR Assumed Contribution	Increase / (Surplus)
Current Plan	\$41,351	\$41,127	\$224
Plan A (+6.7%)	\$47,540	\$41,127	\$6,413
Plan B (+13.4%)	\$53,729	\$41,127	\$12,602
<p>⚠️ South Metro’s contribution is slightly below the required amount under current and all options, meaning additional funding would be needed for any plan above.</p>			



Combined Volunteer Plans Funding

Benefit Level	Scenario	FPPA Calculated Contribution	SMFR Assumed Contribution	Increase / (Surplus)
\$800.00	Current Plan	\$126,445	\$128,726	(\$2,281)
\$853.60	Plan A (+6.7%)	\$142,369	\$128,726	\$13,643
\$907.20	Plan B (+13.4%)	\$158,293	\$128,726	\$29,567

Net Change for the current plan would end with a lower overall contribution

Both Plan A and Plan B would require additional funding to maintain actuarial balance.



Summary of Benefits

Benefit Type	2018 Amount	Formula Basis	2021 Update	2026 Flat	2026 Plan A	2026 Plan B
Retirement Pension	\$420	Base	\$800	\$800.00	\$853.60	\$907.20
Supplemental Pension	\$21 per year >20	5% of base	\$40 per year >20	\$40.00	\$42.68	\$45.36
Survivor Benefit	\$210	50% of base	\$400	\$400.00	\$426.80	\$453.60
Survivor Supplemental Pension	+\$10.50/year	50% of supplemental	+\$20/year	+\$20/year	\$21.34	\$22.68
Short-Term Disability	\$210	50% of base	\$420	\$400.00	\$426.80	\$453.60
Long-Term Disability	\$420	100% of base	\$800	\$853.60	\$853.60	\$907.20
Funeral Benefit	\$500	Flat	Flat	\$500	\$500	\$500

Note: All other benefits are tied to retirement pension; funeral benefit optional review



Funeral & Other Benefits Overview

- This benefit **has not changed since at least 2016.**
- To modify the benefit, it **must be included in the next Actuarial Study.**
- All other benefits are **automatically adjusted** based on the retirement benefit formula, the **funeral benefit is the only exception.**
- To **hold other benefits flat**, the Board must direct exclusion in the study
- To **update the funeral benefit**, the Board must direct inclusion in the study.
- For **2026**, the funeral benefit **cannot be changed** without commissioning another actuarial study (~\$1,500 per plan).
- **Recommendation:**
 - Revisit the funeral benefit during the **2027 actuarial study**,
 - Implement any approved changes **in 2028.**



Board Discussion & Decision

The option selected will begin January 1, 2026

Decisions: Benefit levels (current, Plan A, Plan B); Bylaws modification process

Notes:

FPPA actuarial studies occur every two years (next in 2027 for volunteer plans; 2026 for Cherry Hills).

Cherry Hills Pension Plan was a career fire department with different amounts but the volunteer plans share identical structures and benefits



Questions?



FIRE AND POLICE PENSION ASSOCIATION
PARKER FIRE PROTECTION DISTRICT
VOLUNTEER PENSION FUND

ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2025





To: Administrative Heads and Finance Officers of Parker Fire Protection District;
administered by FPPA

Date: July 2025

Subject: **Actuarial Valuation Results as of January 1, 2025**

This report contains the actuarial valuation results as of January 1, 2025 for your department as determined by Gabriel, Roeder, Smith & Company (GRS), actuary for the Fire and Police Pension Association (FPPA). Questions about this report should be directed to FPPA, rather than to Gabriel, Roeder, Smith & Company.

Financing Objectives

This valuation was prepared to determine if the current annual assumed contributions of \$87,599 are adequate for funding the current benefits provided by the department. Contributions into the pension fund can come from two sources: contributions directly from the department and contributions from the State based on assessed property values and other formulas. The "Assumed Contribution" referred to throughout this report is the sum of the contributions from the aforementioned two sources. With the current assumed contribution amount, the UAAL will be eliminated in 14 years.

The calculated annual contribution shown in Table 3 is the sum of the normal cost, an amount available to amortize the Unfunded Actuarial Accrued Liability (UAAL), and any ongoing administrative and miscellaneous expenses that are paid out of the pension fund. The minimum contribution the department must pay is the calculated annual contribution, but not less than \$0.

Benefit Provisions

This actuarial valuation reflects the provisions that were applicable to the Parker Fire Protection District Volunteer Pension Fund as of the valuation date. The details of the actuarial calculations, based on the current benefit provisions, are described in this report. Departments are allowed to model three alternative benefit packages, if desired. If alternatives were requested, a summary of the actuarial results based on those packages is shown in Table 16. A summary of the alternatives requested is shown in Table 15. If an alternative is adopted that increases the calculated annual contribution, the new calculated annual contribution will become effective beginning January 1, 2026.

This actuarial valuation is based upon coverage data given in the required checklist, which was completed by the department, returned to FPPA, and supplied to GRS. Any changes in coverage adopted but not included in the required checklist are not reflected in the current results. Once the adopted coverage data is provided, subsequent valuation results will be reflective of the change in coverage.

Actuarial Assumptions and Methods

This actuarial valuation uses the assumptions and methods that were adopted by the Board of Directors of FPPA based upon the actuary's analysis and recommendations resulting from the 2022 Experience Study and first effective in the January 1, 2023 valuations. A 10-year closed amortization of benefit improvements was first effective in this January 1, 2025 valuation. A summary of those assumptions and methods can be found in Table 14.

This plan was recently identified as meeting certain plan maturity metrics and was moved to the Short-Term Asset Allocation Pool. As a result, the investment return assumption was lowered to 4.5% which is the Board adopted assumption associated with this asset allocation.

Liabilities were determined under the Entry Age Normal actuarial cost method. This is the same funding method that has been used in prior years.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated annual contribution and funding periods. The actuarial calculations are intended to provide information for rational decision making.

This report is prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report does not include a detailed assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

The calculated employer contribution consists of the sum of three pieces: the normal cost, the amortization of the Unfunded Actuarial Accrued Liability (UAAL), and any administrative and other ongoing expenses to be paid out of the pension fund (e.g. insurance contracts). The calculated annual contribution is shown in Table 3, Item 9. The normal cost (shown in detail in Table 3, Item 1) can be viewed as the regular, ongoing cost of the plan. The UAAL is the amount by which the actuarial value of assets falls short of, or exceeds, the actuarial accrued liability for this plan. The UAAL has been amortized under a level dollar method over 14 years. The required payment to amortize the UAAL in 14 years is shown in Table 3, Item 7.

Assets

Table 10, Item 2 shows the market and actuarial values of assets for this department. The actuarial value is an adjusted market value. It reflects only a portion of the excess (or shortfall) between recent investment returns and the corresponding expected returns based on the annual investment return assumption. The actuarial value recognizes 20% of the difference between the projected actuarial value and the market value at the valuation date. This smoothed average approach dampens the year-to-year fluctuations in the calculated annual contribution.



Member Data

Member data as of January 1, 2025 was supplied by FPPA, as verified by the department. GRS did not subject the data to any auditing procedures but reviewed it and tested it for reasonableness and consistency. The member count is shown in Table 10, Item 1. This count includes members who have worked for this employer at one time, but who are now active at another employer. Your share of the benefits for such former employees is reflected in the liabilities and in the contribution calculation. The number of retirees shown includes those who retired from this employer, as well as those who retired from another employer but has service attributed to this employer. The liabilities take into account your share of the benefits for these former, active members.

Experience

During the two year period since the prior valuation, the plan experienced liability losses and asset losses due to actual experience deviating from assumptions. Table 5 details the changes in the UAAL and the calculated annual contribution since the prior valuation.

Actuarial experience is measured by comparing the expected valuation results with the actual valuation results at the valuation date. The expected valuation results are calculated as if all of the actuarial assumptions had been met.

- A Gain/(Loss) attributable to Investment Experience is realized when the pension fund assets earn over/(under) the actuarial assumed earnings rate.
- A Gain/(Loss) attributable to Membership Changes is realized when the pension fund liabilities are less/(greater) than the actuarial assumptions predicted (e.g. higher terminations, members remaining after eligible for normal retirement benefits, members not living as long as expected). See Table 14 for a description of the actuarial assumptions.
- A Gain/(Loss) attributable to Benefit Improvements is realized when benefit level improvements have been adopted since the prior valuation.

GASB Accounting

Employer reporting information for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is provided in a separate report.

Tables

This report includes one executive summary and up to sixteen tables.

- The executive summary includes a condensed summary of the demographic, financial, and actuarial data.
- Table 1 is a comparison of the actuarial results of the report based on the current benefit provisions and the state match calculation if requested.
- Table 2 is a summary of the current benefit provisions and the state match calculation if requested.
- Table 3 provides the details of the development of the required contribution.



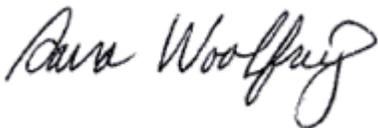
- Table 4 shows the actuarial present value of future benefits, broken down by membership category and type of benefit.
- Table 5 shows the sources of change in the calculated annual contribution since the prior valuation.
- Table 6 provides information that used to be required under the Governmental Accounting Standards Board Statement No. 25 (GASB 25) and No. 27 (GASB 27). These statements have been replaced by GASB 67 and GASB 68 and results under those standards will be provided in a separate report.
- Tables 7 thru 9 show the development of the financial information.
- Tables 10 and 11 show historical actuarial and demographic data for the department.
- Table 12 shows the current distribution of the membership by age and service.
- Table 13 shows the risks associated with measuring the accrued liability and actuarially determined contribution.
- Table 14 shows the actuarial assumptions and methods used to calculate the liabilities.
- Table 15 is a summary of the alternative benefit provisions requested, if any.
- Table 16 is a comparison of the actuarial results of the report based on the alternative benefit provisions requested, if any.
- Appendix provides definitions of several terms used throughout the report.

Certification

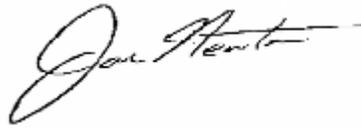
We certify that the information included herein and contained in the 2025 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the Parker Fire Protection District Volunteer Pension Fund as of January 1, 2025.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented comply with the requirements of the State of Colorado statutes and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Mr. Newton and Mrs. Woolfrey are members of the American Academy of Actuaries, and are also Enrolled Actuaries. They are experienced in performing valuations for public retirement systems.

Respectfully submitted,
Gabriel Roeder Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Joseph Newton, FSA, EA, MAAA
Senior Consultant



Executive Summary

Item	Valuation as of January 1, 2025	Valuation as of January 1, 2023
Membership <ul style="list-style-type: none"> • Number of: <ul style="list-style-type: none"> - Active members 0 - Retired Members 16 - Disabled members 0 - Beneficiaries 1 - Terminated vested members 0 - Terminated members active in another fund 0 - Total 17 		0 16 0 2 0 18
Assets <ul style="list-style-type: none"> • Market value \$ 206,784 • Actuarial value 216,068 • Employer contribution for prior year 87,599 • Employer contribution for prior year minus 1 94,767 • Ratio of actuarial value to market value 104% 		\$ 222,445 236,843 94,767 45,550 106%
Actuarial Information <ul style="list-style-type: none"> • Employer normal cost \$ 0 • Normal cost per active member • Unfunded actuarial accrued liability / (Surplus) 821,628 • Calculated annual contribution 85,094 • Assumed contribution from department 87,599 • Assumed contribution from state 0 • Funding period based on assumed contributions 14 years • Funded ratio 21% • Funded ratio based on market value 20% • Is current level of contributions adequate Yes 		\$ 0 714,578 80,748 94,767 0 12 years 25% 23% Yes



Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>State Match Calc</u> (2)
1. Normal Retirement Benefit	\$ 800.00	\$ 300.00
2. Normal Cost	0	0
3. Present Value of Future Benefits	1,037,696	387,335
4. Actuarial Accrued Liability	1,037,696	387,335
5. Unfunded Accrued Liability / (Surplus)	821,628	171,267
6. Administrative and other ongoing expenses	6,691	6,691
7. Total Annual Calculated Contribution	85,094	16,417
8. Assumed Contribution	87,599	87,599
9. Funding Period Based on Assumed Contribution	14 years	3 years
10. Funded Ratio	21%	56%



Table 2 - Actuarial Valuation Information Checklist

	Current Plan	State Match Calc	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):			
a. Regular	\$800.00	\$300.00	None
b. Extended Service Amount Per Year of Service	\$40.00	\$0.00	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):			
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$40.00	\$15.00	Pro rata Share of Regular
b. Minimum Vesting Years	10	10	20 Years
3. Disability Retirement Benefit (monthly):			
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$400.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	\$800.00	\$300.00	Regular or \$450 whichever is greater
4. Survivor Benefits (monthly):			
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	\$400.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Following Death after Normal Retirement	\$400.00	\$150.00	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$20.00	\$0.00	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00	\$7.50	50% of Vested
e. Following Death after Disability Retirement	\$400.00	\$150.00	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00	\$0.00	100% of Regular
5. Funeral Benefit (Required Benefit):			
a. Funeral Benefit Lump Sum, one time only	\$500.00	\$100.00	2 times Regular

Note: The plan is closed to new members.



Table 3 - Development of Annual Required Contribution

	Valuation as of 01/01/2025 <u>(1)</u>	Valuation as of 01/01/2023 <u>(2)</u>
1. Total normal cost	\$ 0	\$ 0
2. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	\$ 0	\$ 0
b. Less: present value of future normal costs	0	0
c. Actuarial accrued liability	<u>\$ 0</u>	<u>\$ 0</u>
3. Total actuarial accrued liability for:		
a. Retirees and beneficiaries members	\$ 1,037,696	\$ 951,421
b. Inactive members	0	0
c. Active members (Item 2c)	0	0
d. Total	<u>\$ 1,037,696</u>	<u>\$ 951,421</u>
4. Actuarial value of assets	\$ 216,068	\$ 236,843
5. Unfunded actuarial accrued liability / (Surplus) (Item 3 - Item 4)	\$ 821,628	\$ 714,578
6. Funded Ratio*	21%	25%
7. Required Payment to amortize the UAAL over the next 14 years**	\$ 78,403	\$ 74,442
8. Administrative and other ongoing expenses	\$ 6,691	\$ 6,306
9. Calculated annual contribution (Item 1 + Item 7 + Item 8)	\$ 85,094	\$ 80,748
10. Assumed contribution		
a. Budgeted department contribution	\$ 87,599	\$ 94,767
b. Expected state funding	0	0
c. Total assumed contribution	<u>\$ 87,599</u>	<u>\$ 94,767</u>
11. Funding period based on assumed contribution	14 years	12 years

* The funded status measure may be appropriate for assessing the need for future contributions. The funded status is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

** 11 years as of January 1, 2023.



Table 4 - Actuarial Present Value of Future Benefits

	Valuation as of 01/01/2025	Valuation as of 01/01/2023
	(1)	(2)
1. Active members		
a. Retirement benefits	\$ 0	\$ 0
b. Vested retirement benefits	0	0
c. Death benefits	0	0
d. Disability benefits	0	0
e. Total	\$ 0	\$ 0
2. Retired members		
a. Service retirements	\$ 1,012,067	\$ 904,732
b. Disability retirements	0	0
c. Beneficiaries	25,629	46,689
d. Total	\$ 1,037,696	\$ 951,421
3. Terminated vested members*	\$ 0	\$ 0
4. Total actuarial present value of future benefits	\$ 1,037,696	\$ 951,421

* Includes members active in another fund that have 'portable benefits' per the Colorado statutory requirements, if applicable.



Table 5 - Actuarial Experience

Change in UAAL

1. Unfunded actuarial accrued liability (UAAL) as of January 1 of prior valuation year	\$	714,578
2. Total normal cost and administrative expenses for FY2023 & FY2024		13,382
3. Contributions during FY2023		(94,767)
4. Contributions during FY2024		(87,599)
5. Interest at 7.00%		91,287
6. Expected UAAL as of this valuation (1. + 2. + 3. + 4. + 5.)	\$	636,881
7. Actual UAAL at end of period	\$	821,628
8. Actuarial gain/(loss) for the period (6. - 7.)	\$	(184,747)
<u>SOURCE OF GAINS/(LOSSES)</u>		
9. Asset gain/(loss)	\$	(7,101)
10. Benefit changes		0
11. Assumption changes		(161,549)
12. Net liability gain/(loss) for the period (8. - 9. - 10. - 11.)	\$	(16,097)

Change in Calculated Annual Contribution

1. Calculated annual contribution 2023		\$	80,748
2. Expected changes (Contributions, Interest, etc)	\$		(4,878)
3. Benefit changes			0
4. Assumption/method changes			17,059
5. Investment experience			750
6. Change in normal cost			0
7. Other experience			(8,585)
8. Total change	\$		4,346
9. Calculated annual contribution 2025		\$	85,094



Table 6 - History of Employer Contributions

The calculated annual contribution is the sum of the normal cost, the amortization of the UAAL, and the administrative expenses.

The following exhibit shows a history of the calculated annual contributions and the actual contributions made to the Plan.

Fiscal Year Ending	Calculated Annual Contribution*	Actual Contribution	Percent
(1)	(2)	(3)	(4)
December 31, 2015	\$ 27,596	\$ 27,596	100%
December 31, 2016	\$ 28,670	\$ 28,670	100%
December 31, 2017	\$ 28,670	\$ 28,670	100%
December 31, 2018	\$ 30,619	\$ 0	0%
December 31, 2019	\$ 61,238	\$ 61,238	100%
December 31, 2020	\$ 45,550	\$ 45,550	100%
December 31, 2021	\$ 45,550	\$ 45,550	100%
December 31, 2022	\$ 94,767	\$ 94,767	100%
December 31, 2023	\$ 94,767	\$ 94,767	100%
December 31, 2024	\$ 87,599	\$ 87,599	100%
December 31, 2025	\$ 87,599	N/A	

* Based on the greater of the actual/assumed contribution and the calculated annual contribution. If the actual contributions are different, this exhibit will need to be adjusted.



Table 7 - Reconciliation of Net Plan Assets

	Year Ending	
	12/31/2024	12/31/2023
	(1)	(2)
1. Market value of assets at beginning of year	\$ 218,564	\$ 222,445
2. Revenue for the year		
a. Plan direct inflows		
i. Employer contributions	\$ 87,599	\$ 94,767
ii. State funding	0	0
iii. Affiliations	0	0
iv. Plan directed expenses	0	0
v. Total	<u>\$ 87,599</u>	<u>\$ 94,767</u>
b. Allocated income		
i. Interest	\$ 3,105	\$ 1,165
ii. Dividends	362	890
iii. Other income	38	149
iv. Net change accrued income	948	105
v. Unrealized gain/(loss)	5,956	13,826
vi. Realized gain/(loss)	1,588	3,357
vii. Total	<u>\$ 11,997</u>	<u>\$ 19,492</u>
c. Total Revenue (Item 2a + Item 2b)	\$ 99,596	\$ 114,259
3. Expenditures for the year		
a. Net benefits	\$ 104,380	\$ 109,440
b. Allocated expense		
i. Investment expenses	\$ 856	\$ 1,458
ii. Direct expense allocation	511	1,358
iii. Allocated fees and expenses	5,629	5,884
iv. Total allocated expenditures	<u>\$ 6,996</u>	<u>\$ 8,700</u>
4. Increase/(Decrease) in net assets (Item 2c - Item 3a - Item 3b)	\$ (11,780)	\$ (3,881)
5. Market value of assets at end of year (Item 1 + Item 4)	\$ 206,784	\$ 218,564



Table 8 - Development of Actuarial Value of Assets

	Year Ending	
	12/31/2024 (1)	12/31/2023 (2)
1. Actuarial value of assets at beginning of year	\$ 227,696	\$ 236,843
2. Cash flow for the year		
a. Contributions	\$ 87,599	\$ 94,767
b. State funding	0	0
c. Affiliation contributions	0	0
d. Net benefits	(104,380)	(109,440)
e. Administrative and other ongoing expenses	(6,140)	(7,242)
f. Net cash flow	\$ (22,921)	\$ (21,915)
3. Expected investment earnings	\$ 15,136	\$ 15,812
4. Expected actuarial value of assets at end of year	\$ 219,911	\$ 230,740
5. Actual market value of assets at end of year	\$ 206,784	\$ 218,564
6. Excess earnings/(shortfall)	\$ (13,127)	\$ (12,176)
7. Excess earnings/(shortfall) recognized (Table 9, Item 6)	\$ (3,843)	\$ (3,044)
8. Final actuarial value of assets (Item 4 + Item 7)	\$ 216,068	\$ 227,696



Table 9 - Development of Amounts to be Recognized in the Actuarial Value of Assets

	Year Ending	
	12/31/2024	12/31/2023
	(1)	(2)
1. Remaining deferrals of excess (shortfall) of investment income from prior years		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(9,132)	0
d. Current year - 1	0	(14,398)
e. Total	<u>\$ (9,132)</u>	<u>\$ (14,398)</u>
2. Current year (Table 8, Item 6 - Table 9, Item 1)	\$ (3,995)	\$ 2,222
3. Amounts to be immediately recognized due to an offsetting experience		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	0	0
d. Current year - 1	0	2,222
e. Current year	0	(2,222)
f. Total	<u>\$ 0</u>	<u>\$ 0</u>
4. Remaining prior year deferrals		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(9,132)	0
d. Current year - 1	0	(12,176)
e. Current year	(3,995)	0
f. Total	<u>\$ (13,127)</u>	<u>\$ (12,176)</u>
5. Deferral of excess (shortfall) of investment income for:		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(6,088)	0
d. Current year - 1	0	(9,132)
e. Current year	(3,196)	0
f. Total	<u>\$ (9,284)</u>	<u>\$ (9,132)</u>
6. Total amount recognized in actuarial value of assets (Item 3.f + Item 4.f. - Item 5.f.)	\$ (3,843)	\$ (3,044)



Table 10 - Historical Summary

	Valuation as of 01/01/2025	Valuation as of 01/01/2023	Valuation as of 01/01/2021
	(1)	(2)	(3)
1. Member Data			
a. Active Members	0	0	0
b. Retired Members	16	16	17
c. Disabled Members	0	0	0
d. Beneficiaries	1	2	3
e. Terminated Vested Members	0	0	0
f. Terminated Members Active in Another Fund	0	0	0
g. Total Members	17	18	20
h. Average Age – Actives Only	N/A	N/A	N/A
i. Average Service – Actives Only	N/A	N/A	N/A
2. Financial Data			
a. Market Value of Assets	\$ 206,784	\$ 222,445	\$ 256,830
b. Actuarial Value of Assets	\$ 216,068	\$ 236,843	\$ 249,360
3. Actuarial Data			
a. Accrued Liability	\$ 1,037,696	\$ 951,421	\$ 568,361
b. Unfunded Accrued Liability / (Surplus)	\$ 821,628	\$ 714,578	\$ 319,001
c. Normal Cost			
i. Total Amount	\$ 0	\$ 0	\$ 0
ii. Amount per Active Member	0	0	0
d. Amortization Contribution			
i. Total Amount	\$ 78,403	\$ 74,442	\$ 31,785
ii. Amount per Active Member	0	0	0
e. Administrative and Ongoing Expenses			
i. Total Amount	\$ 6,691	\$ 6,306	\$ 4,922
ii. Amount per Active Member	0	0	0
f. Calculated Annual Contribution			
i. Total Amount	\$ 85,094	\$ 80,748	\$ 36,707
ii. Amount per Active Member	0	0	0



Table 11 - Membership Data

	01/01/2025	01/01/2023	01/01/2021
	(1)	(2)	(3)
1. Active members			
a. Number	0	0	0
b. Average age	N/A	N/A	N/A
c. Average service	N/A	N/A	N/A
2. Service retirees			
a. Number	16	16	17
b. Total annual benefits	\$ 100,800	\$ 100,800	\$ 57,960
c. Average annual benefit	\$ 6,300	\$ 6,300	\$ 3,409
d. Average age	76.1	74.1	72.9
3. Disabled retirees			
a. Number	0	0	0
b. Total annual benefits	\$ 0	\$ 0	\$ 0
c. Average annual benefit	\$ 0	\$ 0	\$ 0
d. Average age			
4. Beneficiaries and spouses			
a. Number	1	2	3
b. Total annual benefits	\$ 3,120	\$ 8,640	\$ 7,812
c. Average annual benefit	\$ 3,120	\$ 4,320	\$ 2,604
d. Average age	78.0	83.5	83.3
5. Terminated vested members			
a. Number	0	0	0
b. Average age			
6. Terminated members active in another fund	0	0	0
7. Total number of members	17	18	20



Table 12 - Distribution of Membership by Age and Service

Age	Retirees		Disabled Members		Beneficiaries		All	
	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Less than 50	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
50-59	0	0	0	0	0	0	0	0
60-69	2	480	0	0	0	0	2	480
70-79	9	467	0	0	1	260	10	446
Greater than 80	5	648	0	0	0	0	5	648
All	16	\$ 525	0	\$ 0	1	\$ 260	17	\$ 509

Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability that results from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees or other relevant contribution base;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.



Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of retirees and beneficiaries and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>01/01/2025</u>	<u>01/01/2023</u>	<u>01/01/2021</u>
Ratio of actives to retirees and beneficiaries	0.0	0.0	0.0
Ratio of net cash flows to market value of assets	-11%	-9%	-10%
Duration of the actuarial accrued liability	7.8	7.0	7.2

Ratio of Actives to Retirees and Beneficiaries

A ratio of actives to retirees and beneficiaries less than 1 typically indicates an older plan.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions (see Table 8).

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**”

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of a pension plan is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities is set equal to the **expected return** on the diversified portfolio of assets (referred to sometimes as the investment return assumption). The current investment return assumption is 4.5%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. As of January 1, 2025, the current investment return assumption of 4.5% could be considered a reasonable rate for the LDROM. This results in no difference between the valuation accrued liabilities and the LDROM.



Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

d) Withdrawal (any reason other than retirement, death, or disability)

Annual Rate Per 1,000 Withdrawals			
Service	Rates	Service	Rates
1	182.37	11	83.96
2	169.99	12	77.23
3	158.17	13	71.06
4	146.92	14	65.45
5	136.21	15	60.41
6	126.12	16	55.94
7	116.56	17	52.02
8	107.56	18	48.68
9	99.13	19	45.89
10	91.27		

Twenty percent (20%) of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year.

3. Post-Retirement Mortality

a) Healthy Retirees and Beneficiaries

Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Age	Annual Rate Per 1,000 (for 2025)	
	Males	Females
50	1.566	1.215
55	2.496	2.104
60	4.143	3.637
65	7.229	6.318
70	13.004	11.022
75	23.687	19.236
80	43.228	33.563



Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

7. Actuarial Cost Method

Under the entry age actuarial cost method, the Normal Cost is computed as the level dollar amount which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan. The normal cost for the plan is determined by summing the normal cost of all members.

The Actuarial Accrued Liability under this method at any point in time is the theoretical amount of the fund that should have been accumulated had annual contributions been made in prior years equaling to the normal cost. The Unfunded Actuarial Accrued Liability/(Surplus) is the excess of the actuarial accrued liability over the actuarial value of the plan assets as of the valuation date.

The contribution requirements determined by this valuation will not be effective until one year later, and the determination of the calculated annual contribution reflects this deferral by amortizing the expected Unfunded Actuarial Accrued Liability/(Surplus) one year after the valuation date. It is assumed that there will be no change in the normal cost due to the deferral, and it is assumed that payments are made in the middle of the year.

Under this method, experience gains and losses (i.e. decreases or increases in accrued liabilities), attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

8. Asset Valuation Method

The asset valuation method is based on a comparison of expected and actual asset values. The actuarial value of assets is equal to the market value of assets less a five-year phase in of the Excess (Shortfall) between expected investment return and actual income determined as follows:

- At the beginning of each plan year, an expected actuarial asset value is calculated as the sum of the previous year's actuarial value increased with a year's interest at the Plan valuation rate plus net cash flow (excluding expenses) adjusted for interest (at the same rate) to the end of the previous plan year.
- The difference between the expected actuarial value and the actual market value is the investment gain or loss for the previous plan year.
- If the current year's difference is the opposite sign of any of the prior years' deferred Excesses/(Shortfalls), then the prior years' bases (starting with the oldest) are reduced dollar for dollar along with the current year's base. Any remaining bases are then recognized over five years (20% per year) from their initial creation.



Table 15 - Actuarial Valuation Information Checklist

	Current Plan	Proposed Plan A	Proposed Plan B	Proposed Plan C	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):					
a. Regular	\$800.00	\$853.60	\$907.20	-	None
b. Extended Service Amount Per Year of Service	\$40.00	\$42.68	\$45.36	-	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):					
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$40.00	\$42.68	\$45.36	-	Pro rata Share of Regular 20 Years
b. Minimum Vesting Years	10	10	10	-	
3. Disability Retirement Benefit (monthly):					
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$400.00	\$426.80	\$453.60	-	½ of Regular or \$225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	\$800.00	\$853.60	\$907.20	-	Regular or \$450 whichever is greater
4. Survivor Benefit (monthly):					
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	\$400.00	\$426.80	\$453.60	-	½ of Regular or \$225, whichever is greater
b. Following Death after Normal Retirement	\$400.00	\$426.80	\$453.60	-	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$20.00	\$42.68	\$45.36	-	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00	\$42.68	\$45.36	-	50% of Vested
e. Following Death after Disability Retirement	\$400.00	\$426.80	\$453.60	-	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00	\$0.00	\$0.00	-	100% of Regular
5. Funeral Benefit (Required Benefit):					
a. Funeral Benefit Lump Sum, one time only	\$500.00	\$500.00	\$500.00	-	2 times Regular



Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	Current Plan (1)	Plan A (2)	Plan B (3)	Plan C (4)
1. Normal Retirement Benefit	\$ 800.00	\$ 853.60	\$ 907.20	-
2. Actuarial Accrued Liability	1,037,696	1,106,900	1,176,103	-
3. Unfunded Accrued Liability / (Surplus)	821,628	890,832	960,035	-
4. Normal Cost	0	0	0	-
5. Amortization of Current Plan Unfunded Liability	78,403	78,403	78,403	-
6. Amortization of Plan Improvements	0	9,735	19,470	-
7. Administrative and other ongoing expenses	6,691	6,691	6,691	-
8. Total Annual Calculated Contribution (4. - 7.)*	85,094	94,829	104,564	-
9. Assumed Contribution	87,599	87,599	87,599	-
10. Funding Period Based on Assumed Contribution	14 years	16 years	17 years	-
11. Funded Ratio	21%	20%	18%	-

* Under Colorado statute, a benefit improvement is allowable only if the department commits to contributions which meet the definition of actuarial soundness. Actuarially Sound shall mean that contributions are sufficient to fully fund the unfunded liability within the lesser of 20 years or the average life expectancy of plan members from the most recent valuation date, except that, for new unfunded liabilities created from plan improvements implemented on or after January 1, 2025, a separate amortization base shall be established and amortized over 10 years. **All departments should carefully weigh decisions about benefit improvements and their ability to fund the necessary contributions on an ongoing basis.**

This metric considers only whether current contribution levels are sufficient to amortize or pay off the unfunded liability within the stated amortization period, assuming all actuarial assumptions are met. In considering implementing a benefit improvement, this metric should be one of many considerations. Other considerations include, but are not limited to:

- The current funded status of the plan,
- Expectations regarding future membership in the plan,
- The department's ability to sustain current contribution levels for 20 or more years, and
- The department's ability to withstand adverse experience (potentially higher contribution levels), if actuarial assumptions are not met.



Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels (Continued)

Note: Any changes to the Current Plan benefits will impact the employer's annual financial statements reports per Governmental Accounting Standards Board Statement No. 68 (GASB 68). Employers will report the change in benefits (improvements or reductions in benefits) within the total pension liability as pension expense in the year they occur (in other words, immediately). For example, if Parker were to adopt Plan A above, the Net Pension Liability and Pension Expense would increase by at least \$69,204 (the difference in row 4 between Plan A and the Current Plan). This amount could be larger depending on whether the Single Discount Rate used under GASB 68 for your Plan is different than the valuation's investment return assumption of 4.5%. If you have questions regarding GASB 68, you will find information at www.FPPAco.org/GASB.html or contact your auditor.



Appendix - Definition of Terms

1. Actuarial Cost Method

A method for determining the actuarial present value of future benefits and allocating such value to time periods in the form of a normal cost and an actuarial accrued liability.

2. Present Value of Future Benefits

This is computed by projecting the total future benefit cash flow from the Plan, using actuarial assumptions, and then discounting the cash flow to the valuation date.

3. Normal Cost

Computed differently under different actuarial cost methods, the normal cost generally represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued during a year.

4. Actuarial Accrued Liability

Computed differently under different actuarial cost methods. Generally actuarial accrued liability represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued as of the valuation date.

5. Entry Age Actuarial Cost Method

A method under which a participant's actuarial present value of future benefits is allocated on a level basis over the earnings of the participant between his/her entry into the Plan and his/her assumed exit.

6. Unfunded Actuarial Accrued Liability

The difference between total actuarial present value of future benefits over the sum of the tangible assets of the Plan and the actuarial present value of the members' future normal costs. The Plan is underfunded if the difference is positive and overfunded if the difference is negative.

7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to the Plan, as valued by the actuary for purposes of the actuarial valuation.

8. Actuarial Gain or Loss

From one valuation to the next, if the experience of the plan differs from that anticipated by the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the assets in the trust had a yield of 12% based on actuarial value, while the assumed yield on the actuarial value of assets was 7.00%.



FIRE AND POLICE PENSION ASSOCIATION
SOUTH METRO FIRE RESCUE VOLUNTEER
PENSION FUND

ACTUARIAL VALUATION REPORT AS OF JANUARY 1, 2025





To: Administrative Heads and Finance Officers of South Metro Fire Rescue;
administered by FPPA

Date: July 2025

Subject: **Actuarial Valuation Results as of January 1, 2025**

This report contains the actuarial valuation results as of January 1, 2025 for your department as determined by Gabriel, Roeder, Smith & Company (GRS), actuary for the Fire and Police Pension Association (FPPA). Questions about this report should be directed to FPPA, rather than to Gabriel, Roeder, Smith & Company.

Financing Objectives

This valuation was prepared to determine if the current annual assumed contributions of \$41,127 are adequate for funding the current benefits provided by the department. Contributions into the pension fund can come from two sources: contributions directly from the department and contributions from the State based on assessed property values and other formulas. The "Assumed Contribution" referred to throughout this report is the sum of the contributions from the aforementioned two sources. The current contribution amount is not sufficient to meet the financing objectives of the plan.

The calculated annual contribution shown in Table 3 is the sum of the normal cost, an amount available to amortize the Unfunded Actuarial Accrued Liability (UAAL), and any ongoing administrative and miscellaneous expenses that are paid out of the pension fund. The minimum contribution the department must pay is the calculated annual contribution, but not less than \$0.

Benefit Provisions

This actuarial valuation reflects the provisions that were applicable to the South Metro Fire Rescue Volunteer Pension Fund as of the valuation date. The details of the actuarial calculations, based on the current benefit provisions, are described in this report. Departments are allowed to model three alternative benefit packages, if desired. If alternatives were requested, a summary of the actuarial results based on those packages is shown in Table 16. A summary of the alternatives requested is shown in Table 15. If an alternative is adopted that increases the calculated annual contribution, the new calculated annual contribution will become effective beginning January 1, 2026.

This actuarial valuation is based upon coverage data given in the required checklist, which was completed by the department, returned to FPPA, and supplied to GRS. Any changes in coverage adopted but not included in the required checklist are not reflected in the current results. Once the adopted coverage data is provided, subsequent valuation results will be reflective of the change in coverage.

Actuarial Assumptions and Methods

This actuarial valuation uses the assumptions and methods that were adopted by the Board of Directors of FPPA based upon the actuary's analysis and recommendations resulting from the 2022 Experience Study and first effective in the January 1, 2023 valuations. A 10-year closed amortization of benefit improvements was first effective in this January 1, 2025 valuation. A summary of those assumptions and methods can be found in Table 14.

This plan was recently identified as one which will likely meet certain plan maturity metrics within the next decade. Once the plan meets those conditions, the assets will be moved to the Short-Term Asset Allocation Pool. As a result, the investment return assumption was lowered to 6.0% which reflects a blend of expectations for the current Long-Term Asset Allocation Pool and the anticipated Short-Term Asset Allocation Pool.

Liabilities were determined under the Entry Age Normal actuarial cost method. This is the same funding method that has been used in prior years.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated annual contribution and funding periods. The actuarial calculations are intended to provide information for rational decision making.

This report is prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report does not include a detailed assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

The calculated employer contribution consists of the sum of three pieces: the normal cost, the amortization of the Unfunded Actuarial Accrued Liability (UAAL), and any administrative and other ongoing expenses to be paid out of the pension fund (e.g. insurance contracts). The calculated annual contribution is shown in Table 3, Item 9. The normal cost (shown in detail in Table 3, Item 1) can be viewed as the regular, ongoing cost of the plan. The UAAL is the amount by which the actuarial value of assets falls short of, or exceeds, the actuarial accrued liability for this plan. The UAAL has been amortized under a level dollar method over 16 years. The required payment to amortize the UAAL in 16 years is shown in Table 3, Item 7.

Assets

Table 10, Item 2 shows the market and actuarial values of assets for this department. The actuarial value is an adjusted market value. It reflects only a portion of the excess (or shortfall) between recent investment returns and the corresponding expected returns based on the annual investment return assumption. The actuarial value recognizes 20% of the difference between the projected actuarial value and the market value at the valuation date. This smoothed average approach dampens the year-to-year fluctuations in the calculated annual contribution.



Member Data

Member data as of January 1, 2025 was supplied by FPPA, as verified by the department. GRS did not subject the data to any auditing procedures but reviewed it and tested it for reasonableness and consistency. The member count is shown in Table 10, Item 1. This count includes members who have worked for this employer at one time, but who are now active at another employer. Your share of the benefits for such former employees is reflected in the liabilities and in the contribution calculation. The number of retirees shown includes those who retired from this employer, as well as those who retired from another employer but has service attributed to this employer. The liabilities take into account your share of the benefits for these former, active members.

Experience

During the two year period since the prior valuation, the plan experienced liability gains and asset losses due to actual experience deviating from assumptions. Table 5 details the changes in the UAAL and the calculated annual contribution since the prior valuation.

Actuarial experience is measured by comparing the expected valuation results with the actual valuation results at the valuation date. The expected valuation results are calculated as if all of the actuarial assumptions had been met.

- A Gain/(Loss) attributable to Investment Experience is realized when the pension fund assets earn over/(under) the actuarial assumed earnings rate.
- A Gain/(Loss) attributable to Membership Changes is realized when the pension fund liabilities are less/(greater) than the actuarial assumptions predicted (e.g. higher terminations, members remaining after eligible for normal retirement benefits, members not living as long as expected). See Table 14 for a description of the actuarial assumptions.
- A Gain/(Loss) attributable to Benefit Improvements is realized when benefit level improvements have been adopted since the prior valuation.

GASB Accounting

Employer reporting information for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is provided in a separate report.

Tables

This report includes one executive summary and up to sixteen tables.

- The executive summary includes a condensed summary of the demographic, financial, and actuarial data.
- Table 1 is a comparison of the actuarial results of the report based on the current benefit provisions and the state match calculation if requested.
- Table 2 is a summary of the current benefit provisions and the state match calculation if requested.
- Table 3 provides the details of the development of the required contribution.



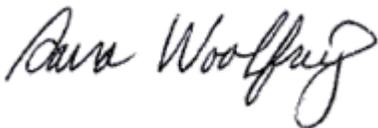
- Table 4 shows the actuarial present value of future benefits, broken down by membership category and type of benefit.
- Table 5 shows the sources of change in the calculated annual contribution since the prior valuation.
- Table 6 provides information that used to be required under the Governmental Accounting Standards Board Statement No. 25 (GASB 25) and No. 27 (GASB 27). These statements have been replaced by GASB 67 and GASB 68 and results under those standards will be provided in a separate report.
- Tables 7 thru 9 show the development of the financial information.
- Tables 10 and 11 show historical actuarial and demographic data for the department.
- Table 12 shows the current distribution of the membership by age and service.
- Table 13 shows the risks associated with measuring the accrued liability and actuarially determined contribution.
- Table 14 shows the actuarial assumptions and methods used to calculate the liabilities.
- Table 15 is a summary of the alternative benefit provisions requested, if any.
- Table 16 is a comparison of the actuarial results of the report based on the alternative benefit provisions requested, if any.
- Appendix provides definitions of several terms used throughout the report.

Certification

We certify that the information included herein and contained in the 2025 Actuarial Valuation Report is accurate and fairly presents the actuarial position of the South Metro Fire Rescue Volunteer Pension Fund as of January 1, 2025.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented comply with the requirements of the State of Colorado statutes and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Mr. Newton and Mrs. Woolfrey are members of the American Academy of Actuaries, and are also Enrolled Actuaries. They are experienced in performing valuations for public retirement systems.

Respectfully submitted,
Gabriel Roeder Smith & Company



Dana Woolfrey, FSA, EA, MAAA
Senior Consultant



Joseph Newton, FSA, EA, MAAA
Senior Consultant



Executive Summary

Item	Valuation as of January 1, 2025	Valuation as of January 1, 2023
Membership <ul style="list-style-type: none"> • Number of: <ul style="list-style-type: none"> - Active members 0 - Retired Members 11 - Disabled members 0 - Beneficiaries 0 - Terminated vested members 0 - Terminated members active in another fund 0 - Total 11 		<ul style="list-style-type: none"> 0 11 0 1 0 0 12
Assets <ul style="list-style-type: none"> • Market value \$ 231,666 • Actuarial value 232,469 • Employer contribution for prior year 41,127 • Employer contribution for prior year minus 1 48,233 • Ratio of actuarial value to market value 100% 		<ul style="list-style-type: none"> \$ 240,926 251,556 48,233 11,311 104%
Actuarial Information <ul style="list-style-type: none"> • Employer normal cost \$ 0 • Normal cost per active member • Unfunded actuarial accrued liability / (Surplus) 380,247 • Calculated annual contribution 41,351 • Assumed contribution from department 41,127 • Assumed contribution from state 0 • Funding period based on assumed contributions 17 years • Funded ratio 38% • Funded ratio based on market value 38% • Is current level of contributions adequate No 		<ul style="list-style-type: none"> \$ 0 374,874 41,127 48,233 0 13 years 40% 38% Yes



Table 1 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>State Match Calc</u> (2)
1. Normal Retirement Benefit	\$ 800.00	\$ 300.00
2. Normal Cost	0	0
3. Present Value of Future Benefits	612,716	228,752
4. Actuarial Accrued Liability	612,716	228,752
5. Unfunded Accrued Liability / (Surplus)	380,247	(3,717)
6. Administrative and other ongoing expenses	4,772	4,772
7. Total Annual Calculated Contribution	41,351	631
8. Assumed Contribution	41,127	41,127
9. Funding Period Based on Assumed Contribution	17 years	0 years
10. Funded Ratio	38%	102%



Table 2 - Actuarial Valuation Information Checklist

	Current Plan	State Match Calc	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):			
a. Regular	\$800.00	\$300.00	None
b. Extended Service Amount Per Year of Service	\$40.00	\$0.00	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):			
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$40.00	\$15.00	Pro rata Share of Regular
b. Minimum Vesting Years	10	10	20 Years
3. Disability Retirement Benefit (monthly):			
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$400.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	\$800.00	\$300.00	Regular or \$450 whichever is greater
4. Survivor Benefits (monthly):			
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	\$400.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Following Death after Normal Retirement	\$400.00	\$150.00	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$20.00	\$0.00	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00	\$7.50	50% of Vested
e. Following Death after Disability Retirement	\$400.00	\$150.00	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00	\$0.00	100% of Regular
5. Funeral Benefit (Required Benefit):			
a. Funeral Benefit Lump Sum, one time only	\$500.00	\$100.00	2 times Regular

Note: The plan is closed to new members.



Table 3 - Development of Annual Required Contribution

	Valuation as of 01/01/2025 <u>(1)</u>	Valuation as of 01/01/2023 <u>(2)</u>
1. Total normal cost	\$ 0	\$ 0
2. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	\$ 0	\$ 0
b. Less: present value of future normal costs	0	0
c. Actuarial accrued liability	<u>\$ 0</u>	<u>\$ 0</u>
3. Total actuarial accrued liability for:		
a. Retirees and beneficiaries members	\$ 612,716	\$ 626,430
b. Inactive members	0	0
c. Active members (Item 2c)	0	0
d. Total	<u>\$ 612,716</u>	<u>\$ 626,430</u>
4. Actuarial value of assets	\$ 232,469	\$ 251,556
5. Unfunded actuarial accrued liability / (Surplus) (Item 3 - Item 4)	\$ 380,247	\$ 374,874
6. Funded Ratio*	38%	40%
7. Required Payment to amortize the UAAL over the next 16 years**	\$ 36,579	\$ 36,456
8. Administrative and other ongoing expenses	\$ 4,772	\$ 4,671
9. Calculated annual contribution (Item 1 + Item 7 + Item 8)	\$ 41,351	\$ 41,127
10. Assumed contribution		
a. Budgeted department contribution	\$ 41,127	\$ 48,233
b. Expected state funding	0	0
c. Total assumed contribution	<u>\$ 41,127</u>	<u>\$ 48,233</u>
11. Funding period based on assumed contribution	17 years	13 years

* The funded status measure may be appropriate for assessing the need for future contributions. The funded status is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

** 20 years as of January 1, 2023.



Table 4 - Actuarial Present Value of Future Benefits

	Valuation as of 01/01/2025	Valuation as of 01/01/2023
	(1)	(2)
1. Active members		
a. Retirement benefits	\$ 0	\$ 0
b. Vested retirement benefits	0	0
c. Death benefits	0	0
d. Disability benefits	0	0
e. Total	\$ 0	\$ 0
2. Retired members		
a. Service retirements	\$ 612,716	\$ 598,440
b. Disability retirements	0	0
c. Beneficiaries	0	27,990
d. Total	\$ 612,716	\$ 626,430
3. Terminated vested members*	\$ 0	\$ 0
4. Total actuarial present value of future benefits	\$ 612,716	\$ 626,430

* Includes members active in another fund that have 'portable benefits' per the Colorado statutory requirements, if applicable.



Table 5 - Actuarial Experience

Change in UAAL

1. Unfunded actuarial accrued liability (UAAL) as of January 1 of prior valuation year		\$	374,874
2. Total normal cost and administrative expenses for FY2023 & FY2024			9,544
3. Contributions during FY2023			(48,233)
4. Contributions during FY2024			(41,127)
5. Interest at 7.00%			48,414
6. Expected UAAL as of this valuation (1. + 2. + 3. + 4. + 5.)		\$	343,472
7. Actual UAAL at end of period		\$	380,247
8. Actuarial gain/(loss) for the period (6. - 7.)		\$	(36,775)
<u>SOURCE OF GAINS/(LOSSES)</u>			
9. Asset gain/(loss)		\$	(2,136)
10. Benefit changes			0
11. Assumption changes			(42,904)
12. Net liability gain/(loss) for the period (8. - 9. - 10. - 11.)		\$	8,265

Change in Calculated Annual Contribution

1. Calculated annual contribution 2023		\$	41,127
2. Expected changes (Contributions, Interest, etc)	\$		(1,320)
3. Benefit changes			0
4. Assumption/method changes			4,550
5. Investment experience			227
6. Change in normal cost			0
7. Other experience			(3,233)
8. Total change	\$		224
9. Calculated annual contribution 2025		\$	41,351



Table 6 - History of Employer Contributions

The calculated annual contribution is the sum of the normal cost, the amortization of the UAAL, and the administrative expenses.

The following exhibit shows a history of the calculated annual contributions and the actual contributions made to the Plan.

Fiscal Year Ending	Calculated Annual Contribution*	Actual Contribution	Percent
(1)	(2)	(3)	(4)
December 31, 2015	\$ 0	\$ 0	N/A
December 31, 2016	\$ 0	\$ 0	N/A
December 31, 2017	\$ 0	\$ 0	N/A
December 31, 2018	\$ 2,070	\$ 0	0%
December 31, 2019	\$ 4,140	\$ 4,140	100%
December 31, 2020	\$ 11,311	\$ 11,311	100%
December 31, 2021	\$ 11,311	\$ 11,311	100%
December 31, 2022	\$ 48,233	\$ 48,233	100%
December 31, 2023	\$ 48,233	\$ 48,233	100%
December 31, 2024	\$ 41,127	\$ 41,127	100%
December 31, 2025	\$ 41,127	N/A	

* Based on the greater of the actual/assumed contribution and the calculated annual contribution. If the actual contributions are different, this exhibit will need to be adjusted.



Table 7 - Reconciliation of Net Plan Assets

	Year Ending	
	12/31/2024 (1)	12/31/2023 (2)
1. Market value of assets at beginning of year	\$ 239,445	\$ 240,926
2. Revenue for the year		
a. Plan direct inflows		
i. Employer contributions	\$ 41,127	\$ 48,233
ii. State funding	0	0
iii. Affiliations	0	0
iv. Plan directed expenses	0	0
v. Total	<u>\$ 41,127</u>	<u>\$ 48,233</u>
b. Allocated income		
i. Interest	\$ 1,474	\$ 1,439
ii. Dividends	1,067	1,081
iii. Other income	497	193
iv. Net change accrued income	(36)	122
v. Unrealized gain/(loss)	9,646	15,966
vi. Realized gain/(loss)	8,790	3,962
vii. Total	<u>\$ 21,438</u>	<u>\$ 22,763</u>
c. Total Revenue (Item 2a + Item 2b)	\$ 62,565	\$ 70,996
3. Expenditures for the year		
a. Net benefits	\$ 64,440	\$ 65,400
b. Allocated expense		
i. Investment expenses	\$ 1,641	\$ 1,796
ii. Direct expense allocation	511	1,358
iii. Allocated fees and expenses	3,752	3,923
iv. Total allocated expenditures	<u>\$ 5,904</u>	<u>\$ 7,077</u>
4. Increase/(Decrease) in net assets (Item 2c - Item 3a - Item 3b)	\$ (7,779)	\$ (1,481)
5. Market value of assets at end of year (Item 1 + Item 4)	\$ 231,666	\$ 239,445



Table 8 - Development of Actuarial Value of Assets

	Year Ending	
	12/31/2024 (1)	12/31/2023 (2)
1. Actuarial value of assets at beginning of year	\$ 244,310	\$ 251,556
2. Cash flow for the year		
a. Contributions	\$ 41,127	\$ 48,233
b. State funding	0	0
c. Affiliation contributions	0	0
d. Net benefits	(64,440)	(65,400)
e. Administrative and other ongoing expenses	(4,263)	(5,281)
f. Net cash flow	\$ (27,576)	\$ (22,448)
3. Expected investment earnings	\$ 16,137	\$ 16,823
4. Expected actuarial value of assets at end of year	\$ 232,871	\$ 245,931
5. Actual market value of assets at end of year	\$ 231,666	\$ 239,445
6. Excess earnings/(shortfall)	\$ (1,205)	\$ (6,486)
7. Excess earnings/(shortfall) recognized (Table 9, Item 6)	\$ (402)	\$ (1,621)
8. Final actuarial value of assets (Item 4 + Item 7)	\$ 232,469	\$ 244,310



Table 9 - Development of Amounts to be Recognized in the Actuarial Value of Assets

	Year Ending	
	12/31/2024 (1)	12/31/2023 (2)
1. Remaining deferrals of excess (shortfall) of investment income from prior years		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(4,865)	0
d. Current year - 1	0	(10,630)
e. Total	<u>\$ (4,865)</u>	<u>\$ (10,630)</u>
2. Current year (Table 8, Item 6 - Table 9, Item 1)	\$ 3,660	\$ 4,144
3. Amounts to be immediately recognized due to an offsetting experience		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	3,660	0
d. Current year - 1	0	4,144
e. Current year	(3,660)	(4,144)
f. Total	<u>\$ 0</u>	<u>\$ 0</u>
4. Remaining prior year deferrals		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(1,205)	0
d. Current year - 1	0	(6,486)
e. Current year	0	0
f. Total	<u>\$ (1,205)</u>	<u>\$ (6,486)</u>
5. Deferral of excess (shortfall) of investment income for:		
a. Current year - 4	\$ 0	\$ 0
b. Current year - 3	0	0
c. Current year - 2	(803)	0
d. Current year - 1	0	(4,865)
e. Current year	0	0
f. Total	<u>\$ (803)</u>	<u>\$ (4,865)</u>
6. Total amount recognized in actuarial value of assets (Item 3.f + Item 4.f. - Item 5.f.)	\$ (402)	\$ (1,621)



Table 10 - Historical Summary

	Valuation as of 01/01/2025	Valuation as of 01/01/2023	Valuation as of 01/01/2021
	(1)	(2)	(3)
1. Member Data			
a. Active Members	0	0	0
b. Retired Members	11	11	12
c. Disabled Members	0	0	0
d. Beneficiaries	0	1	1
e. Terminated Vested Members	0	0	0
f. Terminated Members Active in Another Fund	0	0	0
g. Total Members	11	12	13
h. Average Age – Actives Only	N/A	N/A	N/A
i. Average Service – Actives Only	N/A	N/A	N/A
2. Financial Data			
a. Market Value of Assets	\$ 231,666	\$ 240,926	\$ 275,933
b. Actuarial Value of Assets	\$ 232,469	\$ 251,556	\$ 262,365
3. Actuarial Data			
a. Accrued Liability	\$ 612,716	\$ 626,430	\$ 345,899
b. Unfunded Accrued Liability / (Surplus)	\$ 380,247	\$ 374,874	\$ 83,534
c. Normal Cost			
i. Total Amount	\$ 0	\$ 0	\$ 0
ii. Amount per Active Member	0	0	0
d. Amortization Contribution			
i. Total Amount	\$ 36,579	\$ 36,456	\$ 8,060
ii. Amount per Active Member	0	0	0
e. Administrative and Ongoing Expenses			
i. Total Amount	\$ 4,772	\$ 4,671	\$ 3,557
ii. Amount per Active Member	0	0	0
f. Calculated Annual Contribution			
i. Total Amount	\$ 41,351	\$ 41,127	\$ 11,617
ii. Amount per Active Member	0	0	0



Table 11 - Membership Data

	01/01/2025	01/01/2023	01/01/2021
	(1)	(2)	(3)
1. Active members			
a. Number	0	0	0
b. Average age	N/A	N/A	N/A
c. Average service	N/A	N/A	N/A
2. Service retirees			
a. Number	11	11	12
b. Total annual benefits	\$ 62,520	\$ 62,520	\$ 34,860
c. Average annual benefit	\$ 5,684	\$ 5,684	\$ 2,905
d. Average age	74.4	72.4	71.8
3. Disabled retirees			
a. Number	0	0	0
b. Total annual benefits	\$ 0	\$ 0	\$ 0
c. Average annual benefit	\$ 0	\$ 0	\$ 0
d. Average age			
4. Beneficiaries and spouses			
a. Number	0	1	1
b. Total annual benefits	\$ 0	\$ 2,880	\$ 1,440
c. Average annual benefit	\$ 0	\$ 2,880	\$ 1,440
d. Average age		71.0	69.0
5. Terminated vested members			
a. Number	0	0	0
b. Average age			
6. Terminated members active in another fund	0	0	0
7. Total number of members	11	12	13



Table 12 - Distribution of Membership by Age and Service

Age	Retirees		Disabled Members		Beneficiaries		All	
	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension	Number	Average Monthly Pension
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Less than 50	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
50-59	1	680	0	0	0	0	1	680
60-69	2	440	0	0	0	0	2	440
70-79	6	520	0	0	0	0	6	520
Greater than 80	2	265	0	0	0	0	2	265
All	11	\$ 474	0	\$ 0	0	\$ 0	11	\$ 474

Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability that results from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees or other relevant contribution base;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.



Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of retirees and beneficiaries and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>01/01/2025</u>	<u>01/01/2023</u>	<u>01/01/2021</u>
Ratio of actives to retirees and beneficiaries	0.0	0.0	0.0
Ratio of net cash flows to market value of assets	-12%	-9%	-10%
Duration of the actuarial accrued liability	8.1	7.9	8.1

Ratio of Actives to Retirees and Beneficiaries

A ratio of actives to retirees and beneficiaries less than 1 typically indicates an older plan.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions (see Table 8).

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



Table 13 - Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution (Continued)

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan.** The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**”

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of a pension plan is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities is set equal to the **expected return** on the diversified portfolio of assets (referred to sometimes as the investment return assumption). The current investment return assumption is 6%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the discount rates based upon the intermediate rate from the FTSE Pension Discount Curve and Liability Index published by the Society of Actuaries. This rate is 5.49% as of January 1, 2025. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the cost to mitigate investment risk in the plan's portfolio.

Valuation Accrued Liabilities	LDROM
\$612,716	\$637,000



Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

d) Withdrawal (any reason other than retirement, death, or disability)

Annual Rate Per 1,000 Withdrawals			
Service	Rates	Service	Rates
1	182.37	11	83.96
2	169.99	12	77.23
3	158.17	13	71.06
4	146.92	14	65.45
5	136.21	15	60.41
6	126.12	16	55.94
7	116.56	17	52.02
8	107.56	18	48.68
9	99.13	19	45.89
10	91.27		

Twenty percent (20%) of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year.

3. Post-Retirement Mortality

a) Healthy Retirees and Beneficiaries

Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Age	Annual Rate Per 1,000 (for 2025)	
	Males	Females
50	1.566	1.215
55	2.496	2.104
60	4.143	3.637
65	7.229	6.318
70	13.004	11.022
75	23.687	19.236
80	43.228	33.563



Table 14 - Summary for Actuarial Assumptions, Methods, and Changes (Continued)

7. Actuarial Cost Method

Under the entry age actuarial cost method, the Normal Cost is computed as the level dollar amount which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan. The normal cost for the plan is determined by summing the normal cost of all members.

The Actuarial Accrued Liability under this method at any point in time is the theoretical amount of the fund that should have been accumulated had annual contributions been made in prior years equaling to the normal cost. The Unfunded Actuarial Accrued Liability/(Surplus) is the excess of the actuarial accrued liability over the actuarial value of the plan assets as of the valuation date.

The contribution requirements determined by this valuation will not be effective until one year later, and the determination of the calculated annual contribution reflects this deferral by amortizing the expected Unfunded Actuarial Accrued Liability/(Surplus) one year after the valuation date. It is assumed that there will be no change in the normal cost due to the deferral, and it is assumed that payments are made in the middle of the year.

Under this method, experience gains and losses (i.e. decreases or increases in accrued liabilities), attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

8. Asset Valuation Method

The asset valuation method is based on a comparison of expected and actual asset values. The actuarial value of assets is equal to the market value of assets less a five-year phase in of the Excess (Shortfall) between expected investment return and actual income determined as follows:

- At the beginning of each plan year, an expected actuarial asset value is calculated as the sum of the previous year's actuarial value increased with a year's interest at the Plan valuation rate plus net cash flow (excluding expenses) adjusted for interest (at the same rate) to the end of the previous plan year.
- The difference between the expected actuarial value and the actual market value is the investment gain or loss for the previous plan year.
- If the current year's difference is the opposite sign of any of the prior years' deferred Excesses/(Shortfalls), then the prior years' bases (starting with the oldest) are reduced dollar for dollar along with the current year's base. Any remaining bases are then recognized over five years (20% per year) from their initial creation.



Table 15 - Actuarial Valuation Information Checklist

	Current Plan	Proposed Plan A	Proposed Plan B	Proposed Plan C	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):					
a. Regular	\$800.00	\$853.60	\$907.20	-	None
b. Extended Service Amount Per Year of Service	\$40.00	\$42.68	\$45.36	-	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):					
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$40.00	\$42.68	\$45.36	-	Pro rata Share of Regular 20 Years
b. Minimum Vesting Years	10	10	10	-	
3. Disability Retirement Benefit (monthly):					
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$400.00	\$426.80	\$453.60	-	½ of Regular or \$225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	\$800.00	\$853.60	\$907.20	-	Regular or \$450 whichever is greater
4. Survivor Benefit (monthly):					
a. Following Death before Retirement Eligible; Due to death in the line of duty as a volunteer firefighter	\$400.00	\$426.80	\$453.60	-	½ of Regular or \$225, whichever is greater
b. Following Death after Normal Retirement	\$400.00	\$426.80	\$453.60	-	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$20.00	\$42.68	\$45.36	-	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00	\$42.68	\$45.36	-	50% of Vested
e. Following Death after Disability Retirement	\$400.00	\$426.80	\$453.60	-	50% of Long Term
f. Optional Survivor Benefits in lieu of 4a-e Following Death before or after Retirement Eligible due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00	\$0.00	\$0.00	-	100% of Regular
5. Funeral Benefit (Required Benefit):					
a. Funeral Benefit Lump Sum, one time only	\$500.00	\$500.00	\$500.00	-	2 times Regular



Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels

	Current Plan (1)	Plan A (2)	Plan B (3)	Plan C (4)
1. Normal Retirement Benefit	\$ 800.00	\$ 853.60	\$ 907.20	-
2. Actuarial Accrued Liability	612,716	653,586	694,457	-
3. Unfunded Accrued Liability / (Surplus)	380,247	421,117	461,988	-
4. Normal Cost	0	0	0	-
5. Amortization of Current Plan Unfunded Liability	36,579	36,579	36,579	-
6. Amortization of Plan Improvements	0	6,189	12,378	-
7. Administrative and other ongoing expenses	4,772	4,772	4,772	-
8. Total Annual Calculated Contribution (4. - 7.)*	41,351	47,540	53,729	-
9. Assumed Contribution	41,127	41,127	41,127	-
10. Funding Period Based on Assumed Contribution	17 years	20 years	24 years	-
11. Funded Ratio	38%	36%	33%	-

* Under Colorado statute, a benefit improvement is allowable only if the department commits to contributions which meet the definition of actuarial soundness. Actuarially Sound shall mean that contributions are sufficient to fully fund the unfunded liability within the lesser of 20 years or the average life expectancy of plan members from the most recent valuation date, except that, for new unfunded liabilities created from plan improvements implemented on or after January 1, 2025, a separate amortization base shall be established and amortized over 10 years. **All departments should carefully weigh decisions about benefit improvements and their ability to fund the necessary contributions on an ongoing basis.**

This metric considers only whether current contribution levels are sufficient to amortize or pay off the unfunded liability within the stated amortization period, assuming all actuarial assumptions are met. In considering implementing a benefit improvement, this metric should be one of many considerations. Other considerations include, but are not limited to:

- The current funded status of the plan,
- Expectations regarding future membership in the plan,
- The department's ability to sustain current contribution levels for 20 or more years, and
- The department's ability to withstand adverse experience (potentially higher contribution levels), if actuarial assumptions are not met.



Table 16 - Comparison of Actuarial Results Based on Alternate Benefit Levels (Continued)

Note: Any changes to the Current Plan benefits will impact the employer's annual financial statements reports per Governmental Accounting Standards Board Statement No. 68 (GASB 68). Employers will report the change in benefits (improvements or reductions in benefits) within the total pension liability as pension expense in the year they occur (in other words, immediately). For example, if South Metro were to adopt Plan A above, the Net Pension Liability and Pension Expense would increase by at least \$40,870 (the difference in row 4 between Plan A and the Current Plan). This amount could be larger depending on whether the Single Discount Rate used under GASB 68 for your Plan is different than the valuation's investment return assumption of 6%. If you have questions regarding GASB 68, you will find information at www.FPPAco.org/GASB.html or contact your auditor.



Appendix - Definition of Terms

1. Actuarial Cost Method

A method for determining the actuarial present value of future benefits and allocating such value to time periods in the form of a normal cost and an actuarial accrued liability.

2. Present Value of Future Benefits

This is computed by projecting the total future benefit cash flow from the Plan, using actuarial assumptions, and then discounting the cash flow to the valuation date.

3. Normal Cost

Computed differently under different actuarial cost methods, the normal cost generally represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued during a year.

4. Actuarial Accrued Liability

Computed differently under different actuarial cost methods. Generally actuarial accrued liability represents the value of the portion of the participant's anticipated retirement, termination, and/or death and disability benefits accrued as of the valuation date.

5. Entry Age Actuarial Cost Method

A method under which a participant's actuarial present value of future benefits is allocated on a level basis over the earnings of the participant between his/her entry into the Plan and his/her assumed exit.

6. Unfunded Actuarial Accrued Liability

The difference between total actuarial present value of future benefits over the sum of the tangible assets of the Plan and the actuarial present value of the members' future normal costs. The Plan is underfunded if the difference is positive and overfunded if the difference is negative.

7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to the Plan, as valued by the actuary for purposes of the actuarial valuation.

8. Actuarial Gain or Loss

From one valuation to the next, if the experience of the plan differs from that anticipated by the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the assets in the trust had a yield of 12% based on actuarial value, while the assumed yield on the actuarial value of assets was 7.00%.



FPPA PROCEDURES FOR INCREASING VOLUNTEER BENEFITS

Directives to Change Volunteer Pension Benefits

The pension board may set the monthly retirement pension between \$0 and \$100 without an actuarial study.

To increase benefits over \$100 per month, an actuarial study must be completed to determine if the pension plan will be actuarially sound at the higher benefit.

The amount of the benefit is determined by the board and made with the prior consent of the governing body.

Whenever the board increases the retirement pension benefit, such increase may also be applied to the pension benefit of any retired volunteer firefighter receiving a pension benefit. Pensions that make payments in excess of \$300 per month are subject to the state contribution limitation.

Once the board has elected to change their benefits, FPPA must be notified.

A letter should be sent directing FPPA to implement the benefit change. The letter should specify:

A copy of the board minutes or resolution that states the benefit improvement approval

Reference the actuarial study supporting the changes, Plan A, B or C

The effective date the change should take place must be the 1st day of the month and can be retroactive to the beginning of the study year.

The letter should be signed by one of the Pension Plan Amendment authorized personnel as designated in the FPPA Employer Portal by the Organization Contact Administrator.

Change directives received prior to the 10th of the month may be implemented with that month's payroll. If the directive is retroactive to a prior date, the first monthly payroll with the change will have the retroactive payment and all subsequent monthly payrolls will be at the new benefit levels. The board may direct FPPA to implement a change at a future date.

Any questions about implementing volunteer benefit changes may be directed to FPPA at 1-800-332-3772 or (303) 770-3772.

MEMORANDUM

To: Affiliated Volunteer Fire Department Employers

From: FPPA

Re: Volunteer Fire Department Actuarial Valuation Results as of January 1, 2025

Date: August 22, 2025

The actuarial valuation report as of January 1, 2025 for your volunteer fire department pension plan is available on the FPPA Employer Portal.

The actuarial valuation report has always played an important role as the basic source document for information regarding actuarially determined contributions and the funded status of pension plans. The Government Finance Officers Association (GFOA) recommends that state and local government finance officials and others with decision-making authority carefully review and understand their actuarial valuation report and use the information it contains to make policy decisions that ensure that pension benefits are funded in a sustainable manner. The purpose of an actuarial valuation is: 1) to determine the amount of actuarially determined contributions (i.e., an amount that, if contributed consistently and combined with investment earnings, would be sufficient to pay promised benefits in full over the long-term) and 2) to measure the plan's funding progress.

To assist you in your budgeting process for 2026 and 2027 on your volunteer fire department pension plan, please refer to the Calculated Annual Contribution amount within the Executive Summary of this report. The contribution may be achieved with a combination of your department contribution and state matching funds. However, your department is ultimately responsible for funding the plan appropriately.

FPPA's actuarial firm (Gabriel Roeder Smith) has created video presentations to assist the employer and the Volunteer Fire Pension Board in understanding the volunteer fire actuarial valuation report. You will find the video presentations on FPPA's website under the Employer Portal tab at:

[Volunteer Firefighter Plans - Fire & Police Pension Association of Colorado](#)

Please share this report and the video presentations with your Volunteer Fire Pension Board.

If you have any questions concerning this report, please contact FPPA at 303-770-3772 or 800-332-3772.

Note: The assumed contributions reported to FPPA for use in this valuation are NOT sufficient to fund the plan on an actuarially sound basis. Review the valuation and plan to increase your contributions to the plan to meet the required amounts as reported in the Executive Summary and shown calculated in Table 3.

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Note: If your Calculated Annual Contribution is \$0, you may contribute your budgeted contribution to the volunteer fire department pension plan.