

Station 16
8130 3rd Street
Wellington, CO 80549



Station 17
108 E County Road 66
Fort Collins, CO 80524

Wellington Fire Protection District PENSION BOARD MEETING AGENDA

The **Pension Board Meeting** of the Wellington Fire Protection District will be called to order immediately following the Regular Board Meeting. On **June 8, 2022**, the meeting will be held at **Station 16** located at 8130 3rd St., Wellington, CO 80549. Please contact our administrative office for additional attendance accommodations.

Pledge of Allegiance
Roll Call

Additions/Deletions to the Agenda
Conflicts of Interest

Correspondence
Guests or Presentations

Treasurer's Report

Pension Board Business:

1. Election/Appointment – Vacant Seat term ending in 2024
2. Pension Board Meeting Minutes for March 2022
3. Bylaw Discussion

Other

Adjournment

Future Meetings:

September 14
December 14

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions WELLINGTON FPD 7369-5

For the Reporting Period: 01/01/2021 through 12/31/2021

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
01/20/2021	\$0.00	\$10,541.00	\$10,541.00
05/24/2021	\$55,000.00	\$0.00	\$55,000.00
07/15/2021	\$48,000.00	\$0.00	\$48,000.00
11/23/2021	\$0.00	\$10,541.00	\$10,541.00
Total Remittance			\$124,082.00
Calculated Contribution per the 01/01/2019 Actuarial Study			\$113,437.00
Difference Over/(Under)			\$10,645.00

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

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions WELLINGTON FPD 7369-5

For the Reporting Period: 01/01/2022 through 03/31/2022

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
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No deposits received for the reporting period

Total Remittance			\$0.00
Calculated Contribution per the 01/01/2021 Actuarial Study			\$99,608.00
Difference Over/(Under)			\$(99,608.00)

Note: The Calculated Contribution amount is due to FPPA before 12/31/2022

**Fire and Police Pension Association
Wellington FPD Volunteers 7369-5
For the Three Months Ending March 31, 2022**

Beginning Balance	\$1,899,002.77
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$38,775.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$38,775.00)
Allocated Income and Expense	
Interest	\$1,223.49
Dividends	\$1,358.60
Other Income	(\$542.00)
Net Change Accrued Income	\$455.74
Unrealized Gain/Loss	(\$88,710.62)
Realized Gain/Loss	\$11,293.97
Defined Contribution Earnings (Net)	
Investment Expenses	(\$2,551.22)
Direct Expense Allocation	(\$197.61)
Other Expenses	(\$1,314.92)
Allocated Income and Expense Sub-Total	(\$78,984.57)
Ending Balance	\$1,781,243.20

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Wellington FPD Volunteers 7369-5
 For the Three Months Ending March 31, 2022**

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$52.26	
Audit Expenses	\$149.55	\$145.35	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$463.11	\$197.61	

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.

MEMORANDUM

To: Affiliated FPPA Volunteer Pension Plan Employers
From: Peggy Job, Senior Accountant
Re: Three Months ending March 31, 2022
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: April 21, 2022

Allocation Report

Investment Performance

Your plan assets are commingled for investment purposes in the Members’ Benefit Investment Fund – Long Term Pool (“Pool”). Returns for the Pool are as follows (returns for periods longer than one year are annualized):

As of 03/31/2022	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(4.04)%	(4.04)%	7.47%	10.87%	9.81%

*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
Q1-2022	0.03%	0.14%	0.17%
2021	0.12%	0.81%	0.93%
2020	0.13%	0.79%	0.92%
2019	0.13%	0.80%	0.93%
2018	0.16%	0.88%	1.04%
2017	0.23%	0.89%	1.12%
2016	0.24%	0.79%	1.03%

How to Calculate Your Plan Specific Expense Ratio

Your Allocation Report may reflect expenses specific to your plan such as actuarial expense and legal fees as well as expenses you directed FPPA to pay from your plan assets. These expenses are reflected in the line items *Plan Directed Expenses* and *Direct Expense Allocation*. As such, your plan’s administrative expenses may differ from the Pool. In order to calculate your plan’s administrative expense ratio, you will need to add the line items *Plan Directed Expenses*, *Direct Expense Allocation* and *Allocated Fees & Expenses* and divide by the *Ending Balance*.

Allocation Methodology

Investment Expenses and *Allocated Fees & Expenses* are separately allocated and separately reported in the Allocation Report. The *Investment Expenses* are allocated to each plan based on the plan’s proportion of total assets. The *Allocated Fees & Expenses* are allocated based on the plan’s proportion of total membership, including active, inactive and retired members as of December 31 of the prior year as defined by the guidelines within the Comprehensive Annual Financial Report. Member counts may be adjusted during the year for plan affiliation, disaffiliation, or reentry.

Review of the Report

Review the items *Member Contributions, Employer Contributions, Refunds, Affiliations, Net Benefits, Plan Directed Expenses and State Funding* and confirm that these amounts are correct year-to-date. **If any amount is not correct, please send a written response to FPPA by May 31, 2022. If FPPA does not receive a response by May 31, 2022, you are confirming that these report items are correct.**

Annual Contributions Received

FPPA provides a schedule of your 2022 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2022. **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.**

Direct Expense Allocation Summary

Direct Expense Allocation

FPPA provides a summary of expenses directly allocated to your plan, payments received related to these expenses and the related annual budgeted amounts. These costs are identified as direct plan expenses and are charged directly to the plan as a reduction of plan assets. They are reflected in the *Direct Expense Allocation* row of your Allocation Report. You may contact me to request a detailed summary of these allocated expenses.

The direct expense allocation is comprised of costs for audit and actuarial services. The audit services relate to the SOC 1 Type 2 report over the operating effectiveness of FPPA's controls for processing data and transactions related to your plan. The SOC 1 Type 2 report has been provided since 2014 to assist employers in reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. Actuarial services include the biennial funding valuation report (issued in odd years for Volunteer Firefighter plans and even years for Old Hire plans) and the annual GASB 68 report. Actuarial services are provided by Gabriel Roeder Smith & Co. Audit services are provided by Eide Bailly LLP.

The Colorado Revised Statutes allow FPPA to allocate expenses that are directly related to the administration of the local affiliated plans from those plan's assets. For additional information, please see C.R.S. 31-31-701(7)(a)(VI) for old hire plans and C.R.S. 31-31-705(2)(f) for volunteer fire plans.

Payment of Settlor Expenses

Please discuss these direct plan expenses with your legal counsel to determine if they are a "settlor" expense. The Department of Labor believes that the employer should bear the cost of settlor expenses. If you agree, you should reimburse the plan for these expenses. This payment is in addition to any employer contributions made to the plan or as determined by the actuary (the actuarially determined contribution).

To reimburse the plan for these costs, please send payment via ACH or wire to FPPA. These payments need to be identified separately from your actuarial required contribution in order to net out the expense. Please contact FPPA for ACH or wire Instructions.

If you have any questions regarding your allocation report or the direct allocated plan expenses, please call me at 303-770-3772 in Metro Denver or 800-332-3772 or email me at pjob@fppaco.org.

Allocation Report Descriptions

This report provides the beginning of year plan balance, year-to-date totals, and an ending plan balance as of the report date

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



Wellington Fire Protection District PENSION BOARD MEETING MINUTES

The **Pension Board Meeting** of the Wellington Fire Protection District was called to order at 4:06 pm, March 9, 2022. The meeting was held at **Station 16** located at 8130 3rd St., Wellington, CO 80549.

Pledge of Allegiance

Roll Call

Present: *Member Meyers, Director Reed, Pierson, Pettit, Story, Sarno*

Absent: *Member Tuerffs*

M/S REED/STORY to UNEXCUSE Member Tuerffs absence. Voice votes unanimous; motion APPROVED.

Additions/Deletions to the Agenda -None

Conflicts of Interest

Brief discussion regarding conflict of interest and disclosure regarding Pensioners on the board making financial decision on behalf of the Pension Board.

Correspondence -None

Guests or Presentations -None

Treasurer's Report

Director Sarno provided a highlight of the current FPPA contributions and when the next state match contribution will be.

Pension Board Business:

1. Election/Appointment

Per the Pension Bylaws positions would be named for Pension Board in the May meeting.

2. Pension Board Meeting Minutes for December 2021

The minutes need a correction to reflect \$1.8 million instead of \$8 million.



Wellington Fire Protection District

M/S SARNO/PETTIT to approve the Pension Board Meeting Minutes for December 2021 with the stated corrections. Voice votes unanimous; motion APPROVED.

3. Pensioner Roster Discussion

The annual member audit is complete. A new spreadsheet was provided that included future pensioner email and updated contact information.

4. 2022 Contribution Discussion / Mill Dedication

The board has requested a presentation that shows what the monthly pension fund payment would be for each member if a COLA increase had been applied over time. Staff provided two scenarios that show what the monthly amount would be by averaging different combinations of the Social Security COLA, FPPA COLA and the Annual Consumer Price Index for the region. Ashley Macdonald, Deputy District Manager, provided a memo to the Board with information regarding what a current mill equates to.

5. Bylaw Discussion

The Pension Board was presented with the most recently adopted version of the Pension Board Bylaws for review. Staff requested the Board review the Bylaws and provide comment to staff with changes:

- *DIRECTOR SARNO reiterated in the Bylaws where the Board can dedicate up to one mill for funding the Pension Fund. Requested for there to be language added to require staff to perform the annual current and future pensioner contact/change of status audit in addition to Attachment 2.*
- *Clarification on the reference to Trustee and Director was provided.*
- *Article 1. Discussion and clarification for the board makeup and qualifications for serving as “elected member and retired fire members”. Definitions of members, current members, volunteers, retired fire (“volunteer”) members or additional suggested language for clarification.*
- *Discussion regarding the positions and appointed positions for the Pension Board.*
- *Attachment 1 needs updated to current figures*

Other - None

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M/S REED/PETTIT for Adjournment @ 4:38 PM; Voice votes unanimous; motion APPROVED and meeting adjourned.