

Station 16  
8130 3<sup>rd</sup> 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 at 4:00 pm and the Regular Board Meeting to immediately follow. On **March 8, 2023**, the meeting will be held at **Station 16** located at 8130 3<sup>rd</sup> St., Wellington, CO 80549. Any member of the public who chooses to attend the meeting in person may do so. Please contact our administrative office for social distancing guidelines or additional attendance accommodations. **Zoom Meeting information is listed below.**

**Pledge of Allegiance**  
**Roll Call**

**Additions/Deletions to the Agenda**  
**Conflicts of Interest**  
**Correspondence**  
**Guests or Presentations**

**Treasurer's Report**

**Pension Board Business:**

1. Pension Board Meeting Minutes for December 2022
2. Election Process for Pension Board Seats
3. Pension Fund Investment Options Discussion

**Other**

**Adjournment**

**Future Meetings:**

*June*            *14 – Discuss moving to June 21st*  
*September*   *13*  
*December*     *13*

Station 16  
8130 3<sup>rd</sup> Street  
Wellington, CO 80549



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

## Wellington Fire Protection District

# Zoom Meeting Information

Wellington Fire Protection District is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/83659076804?pwd=TVVQV1h0ZmVJcThWWnRDWkYwZVQ1UT09>

Meeting ID: 836 5907 6804

Passcode: 191747

One tap mobile

+17209289299,,83659076804#,,,,\*191747# US (Denver)

+13017158592,,83659076804#,,,,\*191747# US (Washington DC)

Dial by your location

+1 720 928 9299 US (Denver)

+1 301 715 8592 US (Washington DC)

Meeting ID: 836 5907 6804

Passcode: 191747

Find your local number: <https://us02web.zoom.us/j/83659076804>

Agenda Posted to [www.wfpd.org](http://www.wfpd.org) & at 8130 3<sup>rd</sup> St by Michael Patterson on 3/3/2023 @ 10:30 AM

# Fire and Police Pension Association

## Volunteer Fire Pension Plan Contributions WELLINGTON FPD 7369-5

For the Reporting Period: 01/01/2022 through 12/31/2022

<b>Deposit Date</b>	<b>Employer Contributions</b>	<b>State Matching Funds</b>	<b>Total Remittance</b>
09/20/2022	\$105,876.00	\$0.00	\$105,876.00
12/06/2022	\$0.00	\$10,541.00	\$10,541.00
<b>Total Remittance</b>			\$116,417.00
<b>Calculated Contribution per the 01/01/2021 Actuarial Study</b>			\$116,417.00
<b>Difference Over/(Under)</b>			<b>\$0.00</b>

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

**MEMORANDUM**

**To:** Affiliated Volunteer Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Year Ending December 31, 2022  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** February 18, 2023

***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):

<b>As of 12/31/2022</b>	<b>Quarter</b>	<b>Year to Date</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Total Pool Net of Investment Expense*	5.18%	(7.84)%	(7.84)%	6.43%	6.73%

\*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:

<b>Year</b>	<b>FPPA Administrative Expense*</b>	<b>Investment Management Expense</b>	<b>Total Expense Ratio</b>
2022	0.14%	0.80%	0.94%
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 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 March 31, 2023. If FPPA does not receive a response by March 31, 2023, 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.

#### **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](mailto: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***

<b>Beginning Balance</b>	Plan assets at the beginning of the year
<b>Plan Direct Inflows and Outflows</b>	
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/(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
<b>Plan Direct Inflows and Outflows Sub-Total</b>	Sub-Total of the above activity
<b>Allocated Income and Expense</b>	
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
<b>Allocated Income and Expense Sub-Total</b>	Sub-Total of the above activity
<b>Ending Balance</b>	Plan assets at period end

*\* Allocated from the Fire & Police Members' Benefit Investment Fund – Long Term Pool.*

---

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

Beginning Balance	\$1,899,002.77
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$105,876.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$169,521.80)
Plan Directed Expenses	
State Funding	\$10,541.00
Plan Direct Inflows and Outflows Sub-Total	(\$53,104.80)
Allocated Income and Expense	
Interest	\$6,233.53
Dividends	\$8,626.01
Other Income	\$4,313.32
Net Change Accrued Income	\$705.21
Unrealized Gain/Loss	(\$183,213.48)
Realized Gain/Loss	\$26,421.10
Defined Contribution Earnings (Net)	
Investment Expenses	(\$13,568.14)
Direct Expense Allocation	(\$463.12)
Other Expenses	(\$6,096.96)
Allocated Income and Expense Sub-Total	(\$157,042.53)
Ending Balance	\$1,688,855.44

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

Type of Expense	2022 Budget	Year-to-Date Expenses	Payment of 2022 Expenses
Actuarial Expenses	\$313.56	\$287.43	
Audit Expenses	\$149.55	\$168.26	(\$18.70)
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$463.11</b>	<b>\$455.69</b>	<b>(\$18.70)</b>

*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.**





## Wellington Fire Protection District

### PENSION BOARD MEETING MINUTES

The **Pension Board Meeting** of the Wellington Fire Protection District was called to order at approximately 4:00 PM on **December 14, 2022**, at **Station 16** located at 8130 3<sup>rd</sup> St., Wellington, CO 80549.

#### **Pledge of Allegiance**

#### **Roll Call**

**Present:** *Member Reed, Directors Pettit, Gaiter, Meyers, Pierson, Sarno*

**Absent:** *Member Tuerffs*

*Chair Pettit declared Member Tuerffs absence as EXCUSED as he contacted Chair & Staff ahead of meeting.*

**Additions/Deletions to the Agenda-** *None*

**Conflicts of Interest-** *None*

**Correspondence -** *None*

**Guests or Presentations -** *None*

#### **Treasurer's Report**

*Director Gaiter provided an overview of the current FPPA reports included in the meeting packet.*

*Some brief discussion was held regarding other potential options for Board initiated investment of pension funds.*

#### **Pension Board Business:**

1. Pension Board Meeting Minutes for September 2022 – *Member Reed pointed out error in June minutes.*

*M/S PETTIT/REED to approve the Pension Board Meeting Minutes for September 2022 as presented. Voice votes unanimous; motion APPROVED.*

2. Election /Appointment Update for Pension Board

*Member Tuerffs' seat is up for election and Member Reed's seat was filled by Board appointment of Member Reed upon Director Meyers election to the District Board. Both seats should now be filled through a formal election process.*



### **Wellington Fire Protection District**

*M/S REED/MEYERS to approve holding an election process to fill a two-year and a one-year vacancy for the member-held seats on the Pension Board. Voice votes unanimous; motion APPROVED.*

#### **3. Pensioner Roster Review Discussion**

*Staff will prepare and mail pensioner information verification letters along with Pension Board Self-nomination forms to all active and retired volunteer members.*

**Other- None**

#### **Adjournment**

*M/S PETTIT/REED for Adjournment @ 4:20 PM; Voice votes unanimous; motion APPROVED and meeting adjourned.*

#### **Future Meetings:**

<i>March</i>	<i>8</i>
<i>June</i>	<i>14</i>
<i>September</i>	<i>13</i>
<i>December</i>	<i>13</i>

**Wellington Fire Protection District**  
Pension Fund Board of Trustees Election Ballot

This letter serves as the official ballot for the election process to fill two openings on the Board of Trustees of the Wellington Fire Protection District Pension Fund (the Board). In January 2023, notices were sent to all eligible volunteers soliciting interest in running to fill either of the two vacancies. The elected individuals will serve either a one-year or a two-year term beginning in 2023 and ending in 2024 or beginning in 2023 and ending in 2025.

There were three candidates who submitted self-nomination forms for consideration in an election. The three candidates' names are listed below in a random draw order. Please vote for no more than **two** candidates, and indicate if you are selecting them for a one-year or two year term.

You may return in-person, by mail, or by email, but your ballot must be in no later than **April 4, 2023** at 1700 hours. Ballots will be opened and counted at that time. You can email to [wfpd@wfpd.org](mailto:wfpd@wfpd.org), attention Chief Patterson, or return by mail to Wellington Fire Protection District, PO BOX 10, Wellington, CO 80549.

---

**Candidates**

Patrick Moranville        One-year        Two-year

Brian Tuerffs        One-year        Two-year

Susan Reed        One-year        Two-year

## Colo. Rev. Stat. § 31-30-1113

Current through 2022 Legislative Session and 11/8/2022 Election

### Section 31-30-1113 –Fund investments

**(1)** The board may invest all or any part of fund moneys in the name of the board's treasurer or in the name of a custodian or custodians appointed by the board under this section in interest-bearing obligations of the United States, in interest-bearing bonds of this state, in general obligation bonds of municipalities, whether organized under general law or article XX of the state constitution, or in any depository stated in section 24-75-603, C.R.S., and secured as provided in articles 10.5 and 47 of title 11, C.R.S. By written resolution, the board may appoint one or more persons to act as a custodian or custodians, in addition to the treasurer, to deposit or cause to be deposited all or part of the fund in any state or national bank or any state or federally chartered savings and loan association in this state. The appointed persons shall give surety bonds, and the board shall determine the bonds' amounts, form, and purposes. These securities and evidences of investment shall be deposited with the treasurer of the municipality or district.

**(2)** Upon the board's direction, the treasurer of a municipality or district may invest part of the fund available for investment, with or without one or more other volunteer firefighter pension funds, in a noninsured trust pension plan with a bank or trust company authorized to exercise trust powers in this state as a trustee. The trustee's investment of fund moneys is governed by article 1.1 of title 15, C.R.S.

**(3)** Notwithstanding subsection (1) of this section, the board may invest all or any part of fund moneys in the name of the board's treasurer or in the name of a custodian or custodians appointed by the board under this section in one or more of the following:

**(a)** Any public-private initiative with the department of transportation, as defined in section 43-1-1201(3), C.R.S.;

**(b)** Bonds issued for turnpikes in accordance with part 2 of article 3 of title 43, C.R.S.; or

**(c)** Repealed.

**(d)** Any other public-private initiative program for transportation system projects in Colorado authorized by law.

**(4)** The board may give preference to the investments described in subsection (3) of this section if such investments are consistent with sound investment policy.

*C.R.S. § 31-30-1113*

L. 95: Entire part added, p. 1370, § 2, effective June 5. L. 98: (3) and (4) added, p. 445, § 6, effective August 5. L. 2000: (2) amended, p. 256, § 1, effective March 30. L. 2005: (3)(c) repealed, p. 289, § 39, effective August 8. L. 2010: (2) amended, (SB 10-021), ch. 17, p. 80, §3, effective August 11.

*For the legislative declaration contained in the 1998 act adding subsections (3) and (4), see section 1 of chapter 154, Session Laws of Colorado 1998.*

**Colorado Fire & Police Pension Association's** \$5.1 billion long-term pool reported a preliminary net return of -7.8% for the fiscal year ended Dec. 31, 2022.

The pool's preliminary return fell above its policy benchmark return of -9.6% for the period, according to an investment report posted on the Denver-based pension fund's website.

For the three, five and 10 years ended Dec. 31, the pool posted preliminary annualized net returns of 6.4%, 6.7% and 7.8%, respectively, above the respective benchmarks of 6.3%, 6.3% and 7.6%.

For the year ended Dec. 31, 2021, the long-term pool returned a net 15.2%.

For the most recent year, the pension fund's negative return reflected a challenging market environment. For the year ended Dec. 31, the Russell 3000 index and Bloomberg U.S. Aggregate Bond index returned -19.2% and -13%, respectively.

By asset class, real estate had the top preliminary return for the year ended Dec. 31 at a net 13.8% (above its benchmark of 6%), followed by real assets at a net 11.8% (above its 6.1% benchmark) and private capital at 5% (above its -0.1% benchmark).

Absolute return posted a preliminary net return of 2% (above its -3.3% benchmark), followed by fixed income – credit, at a net -9.5% (above the -15.3% benchmark); equity long/short, -12.4% (-10.2%); fixed income – rates, -12.6% (-13%); and global public equity, -20.1% (-18.2%).

The long-term pool's target allocation is 39% global equity, 26% private markets, 10% each absolute return and fixed income – rates, 8% equity long/short, 5% fixed income – credit and 2% cash.

FPPA's long-term pool is designed for open plans throughout the state and has an investment return assumption of 7%.