

**Elk Creek Fire Protection District  
Pension Board of Trustees  
Regular Meeting Agenda**

**Thursday, January 11th, 2024 18:00**

**Via Zoom**

**(located on ECFPD website)**

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call of Board Members
- IV. Additions or Deletions to, and Approval of the Agenda
- V. Review and approval of the October, 2023 Meeting Minutes
- VI. Old Business
  1. Pension Board Bylaws
  2. Additional Actuarial
- VII. New Business
  1. Third Quarter 2023 Allocation Report
  2. Call for nominations
- VIII. Any other business to be brought before the Board
- IX. Adjournment

**RECORD OF MINUTES**  
**Elk Creek Fire Protection District**  
**Pension Board of Trustees**  
**Regular Meeting**  
**Station One:1993 Blackfoot Road, Conifer, CO**  
**October 12th, 2023 In person and via Zoom**

1. Call to Order at 6:00 PM

1. The regular monthly meeting of the Pension Board of Trustees of Elk Creek Fire Protection District (ECFPD) was called to order by President Greg Pixley at 6:00 p.m. on Thursday, October 12, 2023. The meeting was held in both physical attendance and via Zoom virtual meeting pursuant to statutory notice.

2. In physical attendance were President Greg Pixley, Vice President Dominique Devaney, Treasurer Sharon Woods, Secretary Melissa Baker, Director Chuck Newby, Trustee Kevin Devaney and Trustee Colt Thiel. Also attending in the Boardroom were Chief Jacob Ware and District Attorney John Chmil.

2. Agenda

1. The agenda was reviewed by all Board members and Trustees. There were no additions or deletions. A revision was made to the order of the items under New Business. Item 1 should be the Presentation by Guest Speaker Pam Feely and Item 2 should be the Second Quarter Allocation Report.

3. Minutes of Previous Meeting

1. A clarification was requested to ensure the minutes read that Kevin Devaney and Colt Thiel should be listed as Pension Trustees. A motion to approve the July 2023, Pension Board of Trustees Regular Meeting Minutes with the clarification was made by Director Newby, seconded by Director Woods and was approved unanimously.

4. Old Business

1. Director Newby shared an update from the Pension Board Bylaws Subcommittee that feedback from Pension members and our Attorney had been solicited. Most aligned with revisions to communication standards. Attorney Chmil shared some suggestions for modernizing the language in the bylaws. Trustee Thiel compiled the information and has been building

the new Pension Bylaws document. Director Pixley shared that the hope would be to have the Pension Board Bylaws available in early 2024. Director Dominique Devaney requested a redline document so the board could review what has been changed. The Board discussed the timing of the updated Bylaws.

Director Dominique Devaney requested clarification on if the 10-day notification timeline listed under item 7 could be shortened? Attorney Chmil shared that currently, any modifications to the Bylaws require an initial meeting where the red-lined documents have been shared 10 days prior to the meeting and then can be approved at the following meeting. It was further clarified that the meeting could be a Special Pension Board meeting. It was discussed to hold this meeting in December so the Board could officially vote on the Bylaws in January. Trustee Theil shared he would have the draft for the December 4<sup>th</sup> deadline. It was further discussed that any additional revisions would need to be made and then posted prior to the January meeting on the 11<sup>th</sup>. With the 10-day requirement, that would mean the finalized draft should be posted by the 1<sup>st</sup> at the three locations currently listed in the Bylaws.

9. New Business

1. Pam Feely made a presentation on the current ECFPD pension plan. In general, the plan is funded at a ratio of 145%. This year twelve active members left the district, so the active number went down substantially. Ms. Feely shared that she's seeing this trend across the state. Volunteer firefighters come for their training and then go to other departments. Director Devaney shared that based on the presentation, it appears it would be in the District's best interest to run an Actuarial Report.

2. Second Quarter 2023 Allocation Report was reviewed by the Board. Director Dominique Devaney requested clarification for the line item for "other expenses." Chief Ware shared he would find out clarification on those items. The District Administrator shared that the Board had requested this clarification in the past and would forward that response to Director Dominique Devaney.

Director Dominique Devaney made a motion that the Board engage an Actuarial Report addressing a 5, 10 and 15% increase to the pension

benefits in off cycle year for the purpose of identifying if it financially responsible and feasible to provide an increase of pension benefit to our pension holders at a cost of \$2,000 not to exceed \$3,000. Treasurer Woods seconded the motion. Motion passed unanimously.

11. There being no further business to come before the Board at this time, a motion was made by Director Dominique Devaney to adjourn and seconded by Director Woods. The October Pension Board Meeting was adjourned at 7:00 p.m.

Respectfully submitted,

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Greg Pixley – President

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Dominique Devaney – Vice President

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Sharon Woods – Treasurer

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Melissa Baker - Secretary

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Charles Newby - Director

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Kevin Devaney - Trustee

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Colt Thiel - Trustee

**RECORD OF MINUTES**  
**Elk Creek Fire Protection District**  
**Pension Board of Trustees**  
**Special Meeting**  
**Station One:1993 Blackfoot Road, Conifer, CO**  
**December 14th, 2023 In person and via Zoom**

1. Call to Order at 6:01 PM

1. The special meeting of the Pension Board of Trustees of Elk Creek Fire Protection District (ECFPD) was called to order by President Greg Pixley at 6:01 p.m. on Thursday, December 14th, 2023. The meeting was held in both physical attendance and via Zoom virtual meeting pursuant to statutory notice.

2. In physical attendance were President Greg Pixley, Vice President Dominique Devaney, Treasurer Sharon Woods, Secretary Melissa Baker, Director Chuck Newby, Director Kevin Devaney and Director Colt Thiel. Also attending in the Boardroom were Chief Jacob Ware, PIO Urban and District Attorney John Chmil.

2. Agenda

1. The agenda was reviewed by all Board members and Trustees. There were no additions or deletions.

3. Review revised pension bylaws

1. Both membership and legal have reviewed the presented revised Pension Board Bylaws. Procedurally there is a requirement for a two-meeting process for amending the bylaws. This meeting is the first of the two meetings. The final Pension Board Bylaws will be up for vote in the January regular Pension Board meeting.

2. There was discussion about the eligibility of those members considered for the Trustee board positions. It was determined to include a definition under Article III.

3. The board discussed the need for an annual budget for the pension board and decided to amend the language to include a financial report submitted quarterly.

4. Under Article 8 page 10 – “Pensions - Payments”, there are several missing words from a previous edit. Trustee Thiel to research the missing language and amend as needed.

5. The Board discussed ways that the District could connect members to the FPPA site. It was determined to include the language “*We will continually provide direction and communication to retirees and facilitate communication and access to the FPPA site to all eligible members of the pension.*” in the Bylaws. There was continued discussion about providing a hyperlink and FAQ on the District’s website.

6. Finally, the board reviewed the meeting notice requirements. The current two-meeting process for the amendment of the Bylaws provides a built-in 90-day notice. The Board discussed a 72-hour notice for the first meeting and a 14-day notice prior

to the second meeting for posting to the District's website for any amendments to the Bylaws.

4. There being no further business to come before the Board at this time, a motion was made by Director Dominique Devaney to adjourn and seconded by Director Woods. The December Special Pension Board Meeting was adjourned at 6:45 p.m.

Respectfully submitted,

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Greg Pixley - President

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Dominique Devaney - Vice President

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Sharon Woods - Treasurer

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Melissa Baker - Secretary

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Charles Newby - Director

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Kevin Devaney - Trustee

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Colt Thiel - Trustee

DRAFT

Related to the Volunteer plan –

- The cost to complete an off-cycle actuarial valuation report (1/1/2024) is \$6,100. This would likely be issued in the summer time frame (end of July or so). If you also wanted to study different benefit amounts, it is an additional \$1,400. In total, it could be \$7,500.
- If you only wanted to study benefit changes, we can use the 1/1/2023 valuation and add on the supplemental studies for \$1,400. This would be instead of a full valuation report. We would allow for these studies to be requested through June of this year and then you can implement them as of an effective date of 1/1/2024 or later. After June, I wouldn't run the studies because the 1/1/2025 cycle would be starting shortly after.
- We will be issuing a GASB 68 report that may be able to be used as a proxy for this time frame. We issue this report annually and its intended purpose is for financial reporting, but the 1/1/2023 actuarial valuation would be rolled forward to 12/31/2023 and compared to 12/31/2023 assets. We typically issue this in December so that it would be used in your financial reporting as of 12/31/2024. However, I could release it to you all earlier (say August/September when I receive it) if this would suffice.
- For either of those scenarios, please be sure that the member data is updated to reflect all the participants, years of service for any active/inactive members, and that beneficiaries are updated. It would make either of those reports as accurate as possible.
- One other issue that is upcoming – FPPA has been in the process of evaluating Volunteer plans and the investment pools. Elk Creek is one of the plans that we have identified that will likely move into a less risky investment pool within 10 years. I plan to send out formal communication before the end of this month – so look for that too. But in the interest of this request, I want to make sure you have all the relevant information prior to a full direction to run another study. The highlights of this change are related to the overall maturity of the Elk Creek plan. The ratio of retired to active members is <2 and the age of the member population is between 65-75. You can see this analysis in Table 13 of the 1/1/2023 actuarial valuation. Because of this, we plan to reduce the discount rate from 7.0% to 6.0% in the next actuarial valuation. We have also calculated the change in associated contributions as of the 1/1/2023 actuarial valuation (as if we had changed the rate already for purposes of calculating the contributions) and Elk Creek's calculated required contribution remains at \$0. Elk Creek also budgets to contribute to the plan annually, so I anticipate that the plan will remain looking very healthy. This new assumptions would be included in a 1/1/2024 valuation for Elk Creek.

Keeping all of that in mind, if Elk Creek would like to complete an off-cycle actuarial valuation, we can certainly do that. Or we can also complete the benefit increase studies on the 1/1/2023 valuation. Just send me clear direction of what you want. I attached a spreadsheet that you can use to submit benefit change requests.

Thanks

**Ahni Smith**  
Chief Operations Officer

## MEMORANDUM

**To:** Affiliated Volunteer Pension Plan Employers  
**From:** Peggy Job, Senior Accountant  
**Re:** Nine months ended September 30, 2023  
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary  
**Date:** October 24, 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):

As of 09/30/2023	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	(2.23)%	4.70%	10.13%	6.78%	6.83%

\*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
Q3-2023	0.11%	0.51%	0.62%
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 September 15 2023. If FPPA does not receive a response by December 1, 2023, you are confirming that these report items are correct.**

### ***Annual Contributions Received***

FPPA provides a schedule of your 2023 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2023. **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).

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### **Allocation Report Descriptions**

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***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

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

**Fire and Police Pension Association**  
**Elk Creek FPD 7102-5**  
**For the Nine Months Ending September 30, 2023**

Beginning Balance	\$2,850,898.57
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$154,592.81)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	(\$154,592.81)
Allocated Income and Expense	
Interest	\$14,311.62
Dividends	\$9,851.70
Other Income	\$1,433.28
Net Change Accrued Income	\$1,131.33
Unrealized Gain/Loss	\$86,180.47
Realized Gain/Loss	\$31,226.10
Defined Contribution Earnings (Net)	
Investment Expenses	(\$14,886.21)
Direct Expense Allocation	(\$962.00)
Other Expenses	(\$13,390.22)
Allocated Income and Expense Sub-Total	\$114,896.07
Ending Balance	\$2,811,201.83

**Fire and Police Pension Association  
 Direct Expense Allocation Summary  
 Elk Creek FPD 7102-5  
 For the Nine Months Ending September 30, 2023**

Type of Expense	2023 Budget	Year-to-Date Expenses	Payment of 2023 Expenses
Actuarial Expenses	\$1,388.40	\$801.68	
Audit Expenses	\$160.32	\$160.32	
Other Asset Allocation Study Expenses			
<b>Total Direct Allocated Expenses &amp; Payments</b>	<b>\$1,548.72</b>	<b>\$962.00</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.**