

RECORD OF PROCEEDINGS FOR THE
COLORADO RIVER FIRE PROTECTION DISTRICT BOARD OF TRUSTEES
BURNING MOUNTAINS FIRE PROTECTION DISTRICT VOLUNTEER FIREFIGHTERS
PENSION FUND 7247-5 AND RIFLE FIRE PROTECTION DISTRICT VOLUNTEER
FIREFIGHTERS PENSION FUND 7306-5
FEBRUARY 12, 2019
STATION 41, 1850 RAILROAD AVENUE, RIFLE CO

At 6:00 pm, Chairman Lambert called to order the regularly scheduled meetings of the Board of Trustees for the Burning Mountains Fire Protection District Volunteer Firefighters Pension Fund 7247-5 and the Rifle Fire Protection District Volunteer Firefighters Pension Fund 7306-5. The Pledge of Allegiance was said and a moment of silence was given.

ROLL CALL:

Fund 7247-5 Trustees Present:

Jerry Seifert
Sean Mello
Alan Lambert
Matt Weisbrod (arrived at 6:04 pm)
Levy Burris
Paige Haderlie
Addy Marantino

Fund 7306-5 Trustees Present:

Kyle Costanzo
John Savage
Matt Weisbrod
Alan Lambert
Matt Weisbrod (arrived at 6:04 pm)
Levy Burris
Paige Haderlie
Addy Marantino

Others Present:

Randy Callahan, Fire Chief
Leif Sackett, Operations Division Chief
Mike Scott, EMS Division Chief
Orrin Moon, Prevention Division Chief
John Gredig, IT Director
Dino Ross, Legal Counsel to the District

PJ Tillman, Financial Manager
Alizah Garay, Administrative Assistant

Trustee Burris made a motion to excuse Trustee Weisbrod. Trustee Marantino seconded the motion. The motion passed unanimously.

ADDITIONS/DELETIONS/CHANGES TO THE AGENDA:

None

APPROVAL OF MINUTES:

Trustee Burris made a motion to approve the minutes of the November 13, 2018 meeting. Trustee Seifert seconded the motion. Trustee Marantino asked if the Pension Advisory Board meetings would be starting at 6:00 pm. Financial Manager Tillman confirmed. The motion passed unanimously.

PUBLIC COMMENT:

None

NEW BUSINESS:

Board review of FPPA 2019 Volunteer Fire Actuarial Valuation Process Memo and determine if an evaluation of up to three (3) proposed plan amendment changes at a cost of \$1300 per plan is desired

Trustee Marantino asked where the three proposed plan amendment changes were located. Fire Chief Callahan clarified that the three proposed plan amendment changes were completed the day prior and would be presented during the meeting. Attorney Ross stated that the District is required by state statute to obtain an actuarial valuation report on its volunteer pension plans every two years; however, the Pension Advisory Boards can make recommendations to the District Board as to whether the actuarial valuation should include actuarial determinations at three benefit level increases. Fire Chief Callahan explained the three options that are available – 1) do not add the three benefit level actuarial determinations for either plan; 2) add it for one of the plans; or 3) add it for both plans. Chief Staff is recommending that the Burning Mountains FPD and Rifle FPD Pension Advisory Boards move to have the District Board add plan amendment studies for both plans, at \$1,300.00 per plan, for a total expense of \$2,600.00. The advantages of adding the plan amendments would enable a comparison of each pension plan's current benefit amount with up to three alternative benefit levels, the additional costs would be charged to the plans as a plan administration expense, and the results would enable the Board of Directors to consider other possible benefit options before acting on the Pension Advisory Boards' pending recommendation to increase the benefit level. The disadvantages of adding the plan amendments were that if the benefit levels are increased, the additional contribution

amounts required of the District were not included in the 2019 Budget and the evaluation performed on both plans may not be cost effective since evaluations were recently done in 2017. Fire Chief Callahan and Financial Manager Tillman quickly commented on the implementation of the new summary format of New Business/Action Item Request for the Pension Advisory Boards meeting as a means to best communicate with the Trustees and keep them up to date. Trustee Weisbrod asked if the District Board could make changes to the benefit levels without the exact actuarial study calculations. Attorney Ross stated that legal counsel recommends that, in order to comply with the statute, any adjustment in the benefit level be based on an actuarial study of that increased benefit level, and that the District Board should not set a benefit level that was not studied but may appear to be supported by an actuarial study of different benefit levels. Attorney Ross stated that the actuarial study is an administrative cost that should be charged back against the pension fund and not against the District's general fund. Trustee Seifert stated that he believes the additional costs associated with adding the benefit level studies were worth it because in the past those studies have provided useful information that prevented the Pension Advisory Boards from making decisions that could have resulted in negative consequences. Trustee Seifert recommended spending the additional costs to add the benefit level studies for both pension plans. Trustee Savage asked what was meant by the Burning Mountains FPD fund not being fully funded. Financial Manager Tillman stated that the last actuarial report determined the Burning Mountain FPD fund was approximately 70 percent funded. Attorney Ross noted that he has previously recommended that a pension fund should be funded at 80 percent or higher. Trustee Burris stated the last actuarial report revealed that the Rifle FPD fund was over funded while the Burning Mountain fund was underfunded at approximately 70 percent. Thus, the District increased the funding for the Burning Mountain FPD fund. Trustee Burris hopes that when the new actuarial report comes back, it will reveal that the Burning Mountain FPD is up to par. Trustee Savage asked if the funds covered current volunteers or former volunteers. It was clarified that the funds covered former volunteers and are closed to new members. The District's current volunteers were under a different pension plan. Trustee Marantino asked if the \$1,300.00 cost would be in addition to the cost of the actuarial. Attorney Ross stated that the \$1,300.00 per plan is in addition to the base cost for having the actuarial study performed for each plan. Trustee Seifert stated that even if there are no changes made to the benefit level for either pension plan, the knowledge was still useful in making decisions. Trustee Savage asked if the benefits were the same under both pension plans. It was confirmed that they are the same. Trustee Weisbrod made a motion to recommend to the District Board Chief Staff's proposed Option 2, which would add benefit level studies for the Burning Mountain FPD Fund 7247-5 and the Rifle FPD Fund 7306-5 in the total amount of \$2,600.00. Trustee Savage seconded the motion. The motion passed unanimously.

Board certification of active volunteer hours for 2018

In the past, Pension Boards have requested Chief Staff to calculate creditable volunteer service hours for the preceding year. Division Chief Sackett explained that there was one active

volunteer participating in the Rifle FPD Fund 7306-5 who has met the criteria of hours and needed to be certified. Trustee Weisbrod asked if there were 36 hours of training included in the 288 hours that the volunteer completed. Division Chief Sackett was not sure. Attorney Ross suggested tabling the Board certification of active volunteer hours for 2018 and having Chief Staff present a memo analyzing the requirements for the Boards to review at the next meeting. Trustee Savage asked why the Pension Advisory Boards were requiring a certain amount of training hours. Attorney Ross stated that the pension boards determine whether or not an individual eligible for service credits has met District requirements along with the state statute requirements which include a minimum of 36 hours of training per year. Financial Manager Tillman asked if the volunteer's hours from another fire district counted towards their total annual creditable services hours for this District. Attorney Ross stated that only services hours for this District are considered.

Trustee Seifert made a motion to table the Board certification of active volunteer hours for 2018 until the next meeting of the Pension Advisory Boards. Trustee Marantino seconded the motion. The motion passed unanimously.

OLD BUSINESS:

Pension Boards recommendation to the District Board for benefit level increases (Status: tabled until June 2019 Actuarial Valuation Report release)

Director Burriss explained that although he had previously moved to recommend a 2.5% benefit level increase due to the cost of living being 2.3 percent previously, the last actuarial study analyzed benefit level increases of 1%, 2%, and 3%. Because the motion of 2.5% was not included in the actuarial report, an increase could not be utilized. Trustee Haderlie asked if the Board could make a motion to select a percentage range once given the actuarial report. Trustee Seifert stated that the percentages had to be selected in advance so that the actuarial study could be calculated. Attorney Ross reiterated that legal counsel believes any benefit level increase should be tied to a benefit level studied in the actuarial report. Trustee Savage made a motion to recommend the actuarial study analyze benefit level increases of 2%, 3%, and 5%. Trustee Burriss stated that he believes 5% is too high. Trustee Burriss made a motion to recommend benefit level increases of 1.5%, 2.5%, and 3% for the actuarial study. Trustee Haderlie asked if each pension fund could have a different set of percentages, given that the Burning Mountains FPD fund is not as fully funded as the Rifle FPD fund. Attorney Ross stated that the Boards could issue different percentages of benefit level increases for each funds because they are legally distinct funds. He noted that, while different benefit levels is legally permissible, the members in the fund with the lower benefit level may be unhappy with that result. Trustee Burriss stated that over the last couple of years, when the actuarial report came in, the Boards noticed a discrepancy in the funding level of the Burning Mountains FPD fund. Trustee Burriss stated that until the actuarial reports arrive, the Boards will know if the Burning Mountains FPD fund has increased over time. Attorney Ross stated that the defined benefit plans are not as common in the

private sector as they tend to be expensive. It is imperative that the Boards strategically fund each pension plan because once funds are distributed in each plan they will not return to the District until the last beneficiary in that particular pension plan has passed. In addition, the Boards cannot decrease benefit levels. Under state law, if either pension fund does not have enough money to make the required payments, the benefit level is temporarily reduced for all beneficiaries, but the District is required to contribute whatever additional funds are necessary to enable the pension funds to resume their normal benefit payments. Trustee Weisbrod mentioned that the actuarial reports project a 20-year outlook but there was a dilemma of some individuals out-living that 20-year outlook. Trustee Savage asked if funds from one pension fund could be transferred to the other pension fund. Attorney Ross stated that funds cannot be transferred between the pension funds. Trustee Seifert also mentioned that the pension funds covered spouses, funeral expenses, and disabilities. Trustee Seifert stated that the Burning Mountains FPD pension fund was funded adequately at one point but due to high percent increases, the fund gradually depleted. IT Manager Gredig stated that the Board looked at the actuarial sound part but did not focus on the fund status. Trustee Seifert recommended increasing the same percentage of benefit level for both funds. Trustee Savage recommended increasing the benefit level the same percentage for both funds and getting the Burning Mountains FPD fund to an appropriate level of funding. Trustee Burris made a motion to select benefit level increases of 1.5%, 2.5%, and 3% for both actuarial studies. Trustee Seifert seconded the motion. The motion passed unanimously.

BOARD MEMBER COMMENTS:

Trustee Seifert had no comment.

Trustee Mello had no comment.

Trustee Costanzo had no comment.

Trustee Savage had no comment.

Trustee Lambert thanked everyone for taking time out of their day to attend the pension boards meeting.

Trustee Weisbrod had no comment.

Trustee Burris stated he was looking forward to receiving the actuarial reports. Also, Trustee Burris wanted to reiterate that the pension funds are directly funded from the District which is why the Trustees have the responsibility for making decisions that best prepare the District for the long term.

Trustee Haderlie had no comment.

Trustee Marantino thanked everyone for clarifying her questions throughout the meeting.


ADJOURNMENT:

There being no other business to come before the Boards, Chairman Lambert adjourned the meeting at 6:45 pm.

APPROVAL

The foregoing Minutes, which have been approved by the affirmative majority vote of the Boards of Trustees for RMFPD Fund 7306-5 and Burning Mountains Fund 7247-5, are a true and accurate record of the meeting held on the date stated above.

Fund 7247-5

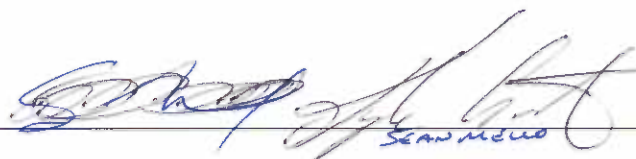


5 / 14 / 2019




5 / 14 / 19

Fund 7306-5



5 / 14 / 2019



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