

PEYTON FIRE PROTECTION DISTRICT
PENSION BOARD MEETING

Administrative Offices

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www.peytonfiredistrict.com

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Clayton Miller	Director	2023/May 2023
Amy Turner	Treasurer	2022/May 2022
David Rolenc	Director	2023/May 2023
VACANT		2023/May 2022
VACANT		2022/May 2022
Jeff Turner	Fire Chief	
Michael Dell'Ario	Secretary	

DATE: April 13, 2021 (Tuesday)

TIME: 6:30 p.m.

PLACE: Via Conference Call
Telephone Number: **1-877-250-3814**
Passcode: **5592663**

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda.

C. Review and approve the Minutes from the January 12, 2021 Pension Board Meeting (enclosure).

II. PUBLIC COMMENT

A. _____

III. CORRESPONDENCE

A. _____

IV. UNFINISHED BUSINESS

A. _____

V. NEW BUSINESS

A. Review and accept 2020 Fourth Quarter Financial Report (enclosure).

VI. OTHER BUSINESS

A. _____

VII. ADJOURNMENT **RECONVENE TO THE PEYTON FIRE PROTECTION DISTRICT BOARD MEETING.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PEYTON FIRE PROTECTION DISTRICT PENSION BOARD MEETING HELD JANUARY 12, 2021

A Regular Meeting of the Board of Directors of the Peyton Fire Protection District Pension Board (referred to hereafter as “Board”) was held on Tuesday, the 12th day of January, 2021 at 6:30 p.m. The meeting was open to the public.

The meeting was held via conference call due to the State of Emergency declared by Governor Polis and Public Health Order 20-23 Implementing Social Distancing Measures, and threat posed by the COVID-19 coronavirus.

ATTENDANCE

Directors In Attendance Were:

Clayton Miller
Amy Turner
David Rolenc
Jeff Turner
Michael Dell’Ario

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Rita Connerly, Esq.; Fairfield & Woods, P.C.

Assistant Chief Oakley Revels

Vicki Revels; Firefighter

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Director Rolenc noted that there were no new conflicts of interest raised.

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin reviewed the proposed agenda for the Pension Board’s Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Dell’Ario, seconded by Director Jeff Turner and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed Minutes from the October 13, 2020 Pension Board Meeting.

Following discussion, upon motion duly made by Director Jeff Turner, seconded by Director Dell’Ario and, upon vote, unanimously carried, the Minutes of the October 13, 2020 Pension Board Meeting were approved, as presented.

PUBLIC COMMENT There was no public comment.

CORRESPONDENCE There was no correspondence.

UNFINISHED BUSINESS There was no unfinished business.

NEW BUSINESS **2020 Fourth Quarter Financial Report:** It was noted that the 2020 Fourth Quarter Financial Report prepared by the Fire & Police Pension Association (“FPPA”) of Colorado was not available at this time.

OTHER BUSINESS There was no other business.

ADJOURNMENT The meeting was adjourned as there were no other business matters before the Board.

Respectfully submitted,

By: /s/ Amy Turner
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 12, 2021 MEETING MINUTES OF THE PEYTON FIRE PROTECTION DISTRICT PENSION BOARD BY THE BOARD OF DIRECTORS SIGNING BELOW:

Clayton Miller

Jeff Turner

Michael Dell'Ario

Amy Turner

David Rolenc

PEYTON FIRE PROTECTION DISTRICT
PENSION TRUST FUND
BALANCE SHEET
DECEMBER 31, 2020

<u>ASSETS</u>			
4-118	FPPA PENSION FUND	86,026.65	
	TOTAL ASSETS		86,026.65
<u>LIABILITIES AND EQUITY</u>			
<u>FUND EQUITY</u>			
4-450	FUND BALANCE	131,535.18	
UNAPPROPRIATED FUND BALANCE:			
4-497	CURRENT EARNINGS	(60,318.84)	
	REVENUE OVER EXPENDITURES - YTD	14,810.31	
	BALANCE - CURRENT DATE	(45,508.53)	
	TOTAL FUND EQUITY		86,026.65
	TOTAL LIABILITIES AND EQUITY		86,026.65

PEYTON FIRE PROTECTION DISTRICT
PENSION TRUST FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2020

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
4-510 DISTRICT'S CONTRIBUTION TO PLA	3,200.00	9,200.00	.00	(9,200.00)	.0
4-560 INVESTMENT INCOME	159.04	619.47	.00	(619.47)	.0
4-561 UNREALIZED GAIN OR (LOSS)	5,319.37	6,186.44	.00	(6,186.44)	.0
4-565 REALIIZED GAIN OR (LOSS)	1,954.81	3,230.12	.00	(3,230.12)	.0
4-570 ACCRUED INCOME	(9.63)	(24.23)	.00	24.23	.0
4-575 OTHER INCOME (LOSS)	121.71	292.63	.00	(292.63)	.0
TOTAL REVENUE	10,745.30	19,504.43	.00	(19,504.43)	.0
<u>EXPENSES</u>					
4-610 PENSION FUND EXPENSES	1,028.66	3,494.12	.00	(3,494.12)	.0
4-615 PAYMENTS TO PARTICIPANTS	300.00	1,200.00	.00	(1,200.00)	.0
TOTAL EXPENSES	1,328.66	4,694.12	.00	(4,694.12)	.0
EXCESS REVENUE OVER (UNDER) EXPENDITURES	9,416.64	14,810.31	.00	(14,810.31)	.0
FUND BALANCE - ENDING	9,416.64	14,810.31	.00	(14,810.31)	.0

**Fire and Police Pension Association
Peyton FPD Volunteers 7281-5
For the Twelve Months Ending December 31, 2020**

Beginning Balance	\$71,216.34
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$9,200.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Net Benefits	(\$1,200.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>\$8,000.00</u>
Allocated Income and Expense	
Interest	\$242.84
Dividends	\$376.63
Other Income	\$292.63
Net Change Accrued Income	(\$24.23)
Unrealized Gain/Loss	\$6,186.44
Realized Gain/Loss	\$3,230.12
Defined Contribution Earnings (Net)	
Investment Expenses	(\$588.15)
Direct Expense Allocation	(\$468.66)
Other Expenses	(\$2,437.31)
Allocated Income and Expense Sub-Total	<u>\$6,810.31</u>
Ending Balance	<u><u>\$86,026.65</u></u>

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions PEYTON FPD 7281-5

For the Reporting Period: 01/01/2020 through 12/31/2020

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
01/22/2020	\$3,000.00	\$0.00	\$3,000.00
09/29/2020	\$3,000.00	\$0.00	\$3,000.00
12/30/2020	\$3,200.00	\$0.00	\$3,200.00
Total Remittance			\$9,200.00
Calculated Contribution per the 01/01/2019 Actuarial Study			\$296.00
Difference Over/(Under)			\$8,904.00

Note: The Calculated Contribution amount is due to FPPA before 12/31/2020

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Peyton FPD Volunteers 7281-5
 For the Twelve Months Ending December 31, 2020**

Type of Expense	2020 Budget	Year-to-Date Expenses	Payment of 2020 Expenses
Actuarial Expenses	\$306.91	\$327.03	
Audit Expenses	\$141.63	\$141.63	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$448.54	\$468.66	

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: Year Ended December 31, 2020
 Allocation Report, Annual Contributions Received & Direct Expense Allocation Summary
Date: 2/24/2021

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 12/31/2020	Quarter	Year to Date	1 Year	3 Years	5 Years
Total Pool Net of Investment Expense*	9.57%	13.59%	13.59%	9.27%	9.61%

*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
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 March 31, 2021. If FPPA does not receive a response by March 31, 2021, you are confirming that these report items are correct.

Annual Contributions Received

FPPA provides a schedule of your 2020 contributions received by FPPA year to date. This schedule compares contributions received in the current year to the actuarial required contributions for 2020. **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, 2020 to be include in this report. *Please be aware that most state matching funds received from DOLA for 2020 were received by FPPA in 2021. These will be included in the 2021 reports and support.*

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.