



GOLDEN GATE

Fire Protection District

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Golden Gate Fire Protection District Pension Board Meeting Minutes 19 August 2021

1. Preliminary
 - 1.1. Location/Call to order: Dannel Agar called to order the regular meeting of the GGFPD Pension Board at 6:30 pm at 7181 Crawford Gulch Rd, Golden, CO.
 - 1.2. Welcome audience
 - 1.3. Pledge of Allegiance
 - 1.4. Roll call indicated a quorum was present with Dannel Agar, Sheila Carlon, Sam Patton, Gerrit Verschuur, Paul Trost, Dave Kinnard, and Dave Primmer. Chief DiFeo was present.
 - 1.5. Conflicts of interest: none
 - 1.6. Additions and Deletions to the Agenda: none
2. Public Agenda
 - 2.1. Public Comment - none
 - 2.2. Approval February 18, 2021 board meeting minutes: **Motion #1** by Dannel Agar. 2nd by Dave Kinnard. Vote: 7 yes. **Motion approved.**
3. Reports
 - 3.1. Pension Report
 - Current state of the pension plan as of 6/30/2021
 - Assets are at \$386,000+
 - Net YTD returns: 1 yr 26.9%; 3 yr 12.1%; 5 yr 11.5% and currently well-funded
 - No contributions in 3 years (2019-2021)
 - We are currently overfunded. Waiting on new actuarial valuations. We were 135% overfunded at the beginning of the year, assets over total obligation.
 - Dannel noted if we satisfy all our obligations and since we are overfunded, we will receive excess assets back to the district, including matching funds. They don't segregate voluntary contributions v. state pension funds. (Matches are 100% up to \$7500.)
 - Gerrit asked if we're looking out for pensioners or other FFs. Dannel replied we're looking out for the fire district, certainly pensioners. The State cannot keep excess assets after all the voluntary plan obligations have been satisfied, they revert to the fire district (GGFPD).
 - Dave asked if there was a specific threshold to overfunding that triggers a refund or after the last pensioner is paid out. Dannel replied only after all the obligation are satisfied which could be 20+ years due to spouses and dependents.
 - Chief asked whether they are giving the money back, and whether they only give overfunded money or any money that's left in the entire plan in the last 6 years. Dannel

said this is theoretical, so they cannot release excess assets until the last pension obligation is satisfied. There is no way to get that money in advance of that. Thinking long term since we have not made a contribution in 3 years presents an opportunity to possibly get the funds that are available to take advantage of state funding that ultimately any overfunding could come back to the district.

- Chief is requesting the board provide information for 2022 budget planning: if you want to fund some this year or since we're overfunded to wait for the actuarial to come out. Dannel noted we should have the report in Sep, Oct the latest, so we should be able to circulate information to see if a contribution is even allowed. Chief asked if we need a special board to make a motion to fund/not fund it. Regular board can make that decision. Sam said we'd need input from the pension board to decide whether its funded or not. We could call a special pension meeting after the report comes out or decide tonight.
- Paul is worried about a drop in the stock mark and cautions not to take too much for granted in case of setbacks in the next year. Dannel agrees the overfunded status could evaporate quickly.
- Dave asked, if we're still at the 130% or greater level, can we authorize an advance, that at that level we won't make additional contributions for 2022.
- Gerrit asked if we save the money and not contribute into the fund, that certain percentage of the money we're saving should go to the old pensioners, but we are looking at a possible increase. Dannel is not opposed but noted it's not fair to the people that left the department. Sam asked if we're taking money we'd not contribute to give to the old pensioners. It would be more applicable to increase the benefit coming out of the pension then diverting district funds out of an annual budget. Dannel noted that we are leaving \$7500 on the table every year we don't contribute. It's state money that is gone. Gerrit asked if we could incrementally give everybody a bump (per discussion last meeting) once the actuarial study came out. Quick math realized a conservative estimate which Dannel could support this but not whole lot more—a one-time, ad hoc thing in light of inflation, perhaps, reminding that the plan is frozen to new entrants.
- Gerrit proposed we address this again next pension board meeting in February 2022, after we receive the actuarial report.
- Dannel suggested commissioning a study by the actuary to look at the impact of an ad hoc increase across the board for retirees and once that amount has been determined, we analyze it. It will cost in the \$3-5K range, but then they could give us an official impact statement.
- Dave pointed out the time to consider benefit increases are the low periods not market highs and the best time to consider this is after the next 50% correction. If we're still well-funded at that point, that even under the most severe condition, we can exceed our obligations, then it's prudent. Gerrit reminded that we are tossing \$7500 every year. Dave thought this a separate issue that accrues to potential benefit 40 years from now before it becomes an issue.
- Dave also pointed out that this is based on June performance and the audit as of Jan 1. Since we haven't added/subtracted pensioners, and you've recorded market performance, the year projection of market performance is on solid ground. So to Chief's question about budget projection, we can anticipate with almost 100% confidence that we'll be as or more overfunded.

- Dannel noted that if we want to throw \$7500 away every year, this needs to be a conscious decision.
4. Old Business – none
 5. New Business
 - 5.1. Pension Board member election
 - The annual notice of pension election was sent out and no one responded. Dannel reached out to Dave Primmer and asked if he was willing to continue to serve another term. Dave was agreeable. **Motion #2** by Dannel Agar to have Dave Primmer serve another 2-year term starting September 2021. 2nd by Gerrit Vershuur. Vote: 7 yes. **Motion passes.**
 6. Adjournment
 - Dannel Agar adjourned the meeting at 6:54 pm. The next regularly scheduled meeting of the Pension Board is on February 17, 2022 at 6:30 pm.

END

Minutes approved by:

Dannel Agar, President