

LAKE CITY AREA FIRE PROTECTION DISTRICT

AGENDA

January 30, 2024

Regular Meeting

5:00 p.m. – Lake City Fire Station, 131 N. Henson Street

Zoom Meeting Link for Guests:

<https://us02web.zoom.us/j/84759648982?pwd=bDZLSE9lUFptbzQrK1JuTDNLaVg0QT09>

CALL TO ORDER

ROLL CALL

MINUTES **

BILLS PAYABLE

TREASURER'S REPORT **

QUARTERLY BUDGET REPORT **

BILLS FOR SERVICE – Status Report **

MANAGER REPORT (emailed separately)

FIRE MARSHAL REPORT (emailed separately)

FIRE CHIEF REPORT

1. PERSONNEL – Succession Planning Update, Director Rowe **
2. FY 2023 END OF YEAR REPORT – Manager Hagendorf
3. FIREMEN'S PENSION FUND – Board of Trustees Report on Status of Funds **
4. FIRE HYDRANTS – Letter of Appreciation to Town of Lake City Staff for Snow Removal **
5. LAKE CITY FIRE-RESCUE – Acknowledgement and Appreciation for the Volunteer Service of James Herzog, Retired Volunteer Firefighter
6. BOARD OF DIRECTORS – Designation of Official Posting Place

ADJOURNMENT

** included in packet

RECORD OF PROCEEDINGS

Regular Meeting

December 26, 2023

Chairman Hall called the regular meeting of the Board of Directors of the Lake City Area Fire Protection District to order at 5:00 p.m. in the fire station. Those Directors present were: Brent Boyce, Crystal Brown, Dennis Cavit, and Jim Rowe.

Also present were Bill Hagendorf, Manager (via video conference); Evan Milski, Fire Chief; and Michelle Pierce, Secretary.

MINUTES OF PREVIOUS MEETING

Director Boyce moved, Director Cavit seconded to approve the minutes of the November 28, 2023 regular meeting as circulated. The motion passed with all voting yes in a general vote.

BILLS PAYABLE

Director Rowe moved, Director Brown seconded to approve payment of the bills as circulated. The motion passed with all voting yes in a general vote.

TREASURER'S REPORT

Director Rowe moved, Director Boyce seconded to approve the Treasurer's Report for the month ending November 30, 2023 as circulated. The motion passed with all voting yes in a general vote.

BILLS FOR SERVICE – Status Report

The Directors read the status report submitted by Secretary Pierce.

MANAGER REPORT

The Directors read the report submitted by Manager Hagendorf (see attached).

FIRE MARSHAL REPORT

The Directors read the report submitted by Manager Hagendorf (see attached).

2024 BUDGET – Public Hearing & Adoption

Chairman Hall called the public hearing to hear comments regarding the proposed 2024 budget to order at 5:11 p.m. There were no comments. Secretary Pierce stated that she had received no comments, either verbally or in writing. Chairman Hall closed the public hearing at 5:12 p.m.

Director Boyce moved, Director Cavit seconded to adopt Resolution No. 2, Series 2023 adopting a budget for the 2024 calendar year; Resolution No. 3, Series 2023 appropriating sums of money for the 2024 budget year; and Resolution No. 4, Series 2023 levying general property taxes for the 2024 budget year. The motion passed with all voting yes in a general vote.

<u>BILLS PAYABLE TO AND FOR:</u>	<u>AMOUNT</u>	<u>FUND</u>
Bill Hagendorf – Contract Labor, District Manager	\$ 4,200.00	Gen.
Bill Hagendorf – Contract Labor, Fire Marshal	500.00	Gen.
Bill Hagendorf – Mileage Reimbursement, December 8 & 9, 2023	117.00	Gen.
CenturyLink – Phone Service	88.54	Gen.
JC Propane – Propane, 12/18/2023	1,025.88	Gen.
L. N. Curtis & Sons – Arctic Compressor Custom	57,475.00	Cap.
Michelle Pierce – Contract Labor, Secretary	750.00	Gen.
Pinnacol Assurance – 2024 Worker's Compensation Premium	1,166.00	Gen.
Silver World Publishing – Ads, Cheers to 50 Years, Happy Thanksgiving	40.00	Gen.
Simply Broadband Solutions – Broadband Internet	80.00	Gen.
VISA – Oil, Microsoft Office Subscription, Cam Plus Recorder Subscription	251.62	Gen.

RECORD OF PROCEEDINGS

Regular Meeting (2)

December 26, 2023

ADJOURNMENT

There being no further business to come before the Board, Director Boyce moved, Director Brown seconded to adjourn the regular meeting at 5:19 p.m., but to meet again at the next regular meeting on January 30, 2024. The motion passed with all voting yes in a general vote.

Chairman

ATTEST:

Secretary

LAKE CITY AREA FIRE PROTECTION DISTRICT

Treasurer's Report

December 31, 2023

	<u>BEGINNING BALANCE 12/1/2023</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ENDING BALANCE 12/31/2023</u>
GENERAL FUND	\$88,727.22	\$2,255.40	\$8,278.69	\$82,703.93
CAPITAL RESERVE FUND	\$523,843.32	\$888.93	\$57,508.14	\$467,224.11
CONTINGENCY RESERVE FUND	\$72,572.56	\$50.80	\$1.89	\$72,621.47
FACILITIES FUND	\$9,700.00	\$0.00	\$0.00	\$9,700.00
TOTALS	\$694,843.10	\$3,195.13	\$65,788.72	\$632,249.51

Petty Cash	\$25.00
Checking Acct - CBANKS	\$100.00
MM Acct - CBANKS	\$520,893.35
MM Acct - ColoTrust	\$91,231.16
Certificates of Deposit	\$20,000.00
TOTAL	\$632,249.51

Respectfully submitted,

Treasurer

Lake City Area Fire Protection District
Quarterly Budget Comparison - December 2023

GENERAL FUND

<u>Expenditures:</u>	2022 Actual	2022 YTD	2023 Proposed	2023 YTD	YTD Difference
Elections					
Temporary Salary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Printing, Duplicating, etc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administration					
Contract Work	\$49,700.00	\$49,700.00	\$64,800.00	\$65,400.00	-\$600.00
Operating Supplies	\$561.98	\$561.98	\$500.00	\$75.96	\$424.04
Communication & Transportation	\$0.00	\$0.00	\$200.00	\$94.70	\$105.30
Printing, Duplicating, etc.	\$78.00	\$78.00	\$150.00	\$0.00	\$150.00
Publicity, Subscriptions & Dues	\$4,017.41	\$4,017.41	\$4,800.00	\$5,796.63	-\$996.63
Professional Services	\$5,180.00	\$5,180.00	\$5,200.00	\$5,917.50	-\$717.50
Travel & Meetings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance	\$8,370.00	\$8,370.00	\$10,000.00	\$8,964.00	\$1,036.00
Fire Fighting					
Operating Supplies	\$3,618.89	\$3,618.89	\$8,300.00	\$1,126.90	\$7,173.10
Repair & Maintenance Supplies	\$1,086.83	\$1,086.83	\$2,200.00	\$1,910.07	\$289.93
Professional Services	\$5,674.56	\$5,674.56	\$4,500.00	\$512.54	\$3,987.46
Repair & Maintenance Services	\$644.00	\$644.00	\$3,200.00	\$0.00	\$3,200.00
Other Machinery & Equipment	\$1,263.18	\$1,263.18	\$2,500.00	\$1,859.00	\$641.00
Travel & Meetings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Volunteer Firefighter Support	\$4,000.83	\$4,000.83	\$12,275.00	\$11,971.32	\$303.68
Pension Contributions	\$2,700.00	\$2,700.00	\$2,700.00	\$2,700.00	\$0.00
Fire Prevention					
Operating Supplies	\$0.00	\$0.00	\$200.00	\$0.00	\$200.00
Training					
Operating Supplies	\$44.99	\$44.99	\$750.00	\$0.00	\$750.00
Travel & Meetings	\$448.86	\$448.86	\$500.00	\$124.00	\$376.00
Training Services	\$459.63	\$459.63	\$750.00	\$31.44	\$718.56
Communications					
Operating Supplies	\$99.99	\$99.99	\$500.00	\$185.00	\$315.00
Repair & Maintenance Supplies	\$473.06	\$473.06	\$500.00	\$0.00	\$500.00
Repair & Maintenance Services	\$0.00	\$0.00	\$500.00	\$180.10	\$319.90
Professional Services - Dispatch/Active 911	\$7,187.00	\$7,187.00	\$7,200.00	\$7,355.84	-\$155.84
Fire Station & Buildings					
Office Supplies	\$57.12	\$57.12	\$400.00	\$0.00	\$400.00
Operating Supplies	\$852.51	\$852.51	\$300.00	\$1,215.77	-\$915.77
Repair & Maintenance Supplies	\$741.10	\$741.10	\$1,750.00	\$9.16	\$1,740.84

Lake City Area Fire Protection District
Quarterly Budget Comparison - December 2023

GENERAL FUND Expenditures (cont.)					
Utility Services	\$6,349.54	\$6,349.54	\$8,750.00	\$9,432.98	-\$682.98
Professional Services	\$612.90	\$612.90	\$700.00	\$728.72	-\$28.72
Repair & Maintenance Services	\$2,317.54	\$2,317.54	\$4,090.00	\$1,755.00	\$2,335.00
County Treasurer's Fee	\$3,945.64	\$3,945.64	\$3,900.00	\$3,867.15	\$32.85
TOTAL EXPENDITURES	\$110,485.56	\$110,485.56	\$152,115.00	\$131,213.78	\$20,901.22
Transfer to Facilities Fund from Prior Year Savings	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
TOTAL EXPENDITURES & TRANSFER	\$112,485.56	\$112,485.56	\$154,115.00	\$133,213.78	\$20,901.22
<u>Revenues:</u>	2022	2022	2023	2023	YTD
	Actual	YTD	Proposed	YTD	Difference
Taxes					
Specific Ownership	\$6,361.18	\$6,361.18	\$5,000.00	\$5,861.07	-\$861.07
Charges for Services					
Petitions	\$1,400.00	\$1,400.00	\$0.00	\$0.00	\$0.00
Contracts	\$0.00	\$0.00	\$0.00	\$25.00	-\$25.00
Special Assessments	\$970.69	\$970.69	\$0.00	\$82.47	-\$82.47
Refunds of Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues					
Special Fire Protection Services	\$7,083.75	\$7,083.75	\$0.00	\$3,892.50	-\$3,892.50
Miscellaneous Revenue	\$329.00	\$329.00	\$0.00	\$2,525.00	-\$2,525.00
Earnings on Deposits	\$2,801.36	\$2,801.36	\$575.00	\$6,130.06	-\$5,555.06
Donations from Private Sources	\$14,674.20	\$14,674.20	\$0.00	\$7,483.63	-\$7,483.63
Grants (VFA, etc.)	\$1,120.00	\$1,120.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$79,036.72	\$79,036.72	\$77,556.00	\$77,441.76	\$114.24
Plus Interest	\$325.24	\$325.24	\$300.00	\$344.96	-\$44.96
TOTAL REVENUES	\$114,102.14	\$114,102.14	\$83,431.00	\$103,786.45	-\$20,355.45

Lake City Area Fire Protection District
Quarterly Budget Comparison - December 2023

CAPITAL RESERVE FUND

<u>Expenditures:</u>	2022 Actual	2022 YTD	2023 Proposed	2023 YTD	YTD Difference
Fire Fighting					
Operating Supplies	\$38,694.28	\$38,694.28	\$0.00	\$0.00	\$0.00
Vehicles	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Machinery & Equipment	\$28,186.84	\$28,186.84	\$38,695.00	\$57,475.00	-\$18,780.00
Fire Station & Buildings					
Reserve for Equipment Replacement Schedule	\$0.00	\$0.00	\$457,746.00	\$0.00	\$457,746.00
County Treasurer's Fee	\$2,191.98	\$2,191.98	\$2,175.00	\$2,148.42	\$26.58
TOTAL EXPENDITURES	\$69,073.10	\$69,073.10	\$498,616.00	\$59,623.42	\$438,992.58
<u>Revenues:</u>					
Taxes					
Specific Ownership	\$3,534.01	\$3,534.01	\$1,850.00	\$3,256.20	-\$1,406.20
Miscellaneous Revenues					
Sale of Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$4,500.00	-\$4,500.00
Grants	\$12,916.80	\$12,916.80	\$36,760.00	\$36,851.69	-\$91.69
Donations from Private Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$43,909.28	\$43,909.28	\$43,087.00	\$43,023.19	\$63.81
Plus Interest	\$180.69	\$180.69	\$100.00	\$191.63	-\$91.63
TOTAL REVENUES	\$60,540.78	\$60,540.78	\$81,797.00	\$87,822.71	-\$6,025.71

Lake City Area Fire Protection District
 Quarterly Budget Comparison - December 2023

CONTINGENCY RESERVE FUND

<u>Expenditures:</u>	2022 Actual	2022 YTD	2023 Proposed	2023 YTD	YTD Difference
County Treasurer's Fee	\$125.28	\$125.28	\$130.00	\$122.76	\$7.24
TOTAL EXPENDITURES	\$125.28	\$125.28	\$130.00	\$186.07	\$7.24
<u>Revenues:</u>					
Taxes					
Specific Ownership	\$201.95	\$201.95	\$150.00	\$135.79	\$14.21
Property Taxes	\$2,509.11	\$2,509.11	\$2,462.00	\$2,458.48	\$3.52
Plus Interest	\$10.32	\$10.32	\$10.00	\$10.94	-\$0.94
TOTAL REVENUES	\$2,721.38	\$2,721.38	\$2,622.00	\$2,605.21	\$16.79

FACILITIES FUND

<u>Expenditures:</u>	2022 Actual	2022 YTD	2023 Proposed	2023 YTD	YTD Difference
Repair & Maintenance Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Revenues:</u>					
Transfer from General Fund	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
TOTAL REVENUES	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00

LAKE CITY AREA FIRE PROTECTION DISTRICT



DATE: January 27, 2024
TO: Board of Directors
FROM: Michelle Pierce, Secretary
SUBJECT: Status of Bills for Service

The following is the status of the District's bills for service as of today:

Riley's Asphalt Paving, \$1,707.50. Invoice #32023 in the amount of \$1,707.50 was mailed to Riley's Asphalt Paving in Moore, OK on 11/25/2023 for a MVA rollover at MM 68 on S. Highway 149. This invoice remains unpaid despite the delinquent notice that was mailed to Mr. Riley last month. Please advise.

Status Update (Ver3) from 1-19-24 Succession Planning Meeting

Committee: Dennis, Jim, Bill and Michelle

Updates are in red. The committee met Jan 19 at the station to put together a 2024 action plan to move forward with items one and two below as was approved via approved motion at the November meeting. The original text (in black) is included for reference.

Per request from RE, the team met and put together a 2-year succession plan for Bill's responsibilities. We were guided by the results of our Marketing study earlier this year. The key take-aways from that study concluded that we will not find a one-person replacement to perform all of the Bill's functions. It also pointed out the importance to fill positions where possible with local people who are qualified and full-time residents.

Our (original) recommendation was to divide this succession plan into four areas of responsibility.

1. Equipment and Facility Maintenance. This will be a locally hired hourly position with salary commensurate with the local wage scales. Based on experience we may fill these functions with two people. The position will report to the Fire Chief. Our goal is to have this position filled in 2024; Bill will oversee and assist in the hiring training. This cost will be absorbed in our current budget.

Update: Two candidates for Diesel Mechanic have been identified and contacted: Hans Nelson and Monty. Bill is pursuing these individuals to ascertain, level of interest, hourly contract rate requirements and qualifications. This position will be hourly; NOT on a monthly contracted salary. To further increase the value of the position it was suggested that the Fire District may pay for added training, such as Certified Mechanic licenses.

We recommend that the interview and decision committee for this position be Bill and RE (they will consult others as necessary and update the board at our monthly meetings). We suggest their final recommendation be brought to the board at the end of the First quarter if possible. We recommend that the successful candidate be managed primarily by Bill with secondary management by the Fire Chief. After Bill certifies the person as "ready" then those management responsibilities switch: primary becomes the Fire Chief; secondary shifts to Bill. We may end up with two successful candidates; a primary and backup – those details will be left to RE and Bill to work out as they move through the process.

The building maintenance position will be handled by local contractors on an as-needed basis. This will be better defined once the Diesel Mechanic position is filled. All 1099 requirements will be applicable for all positions.

2. Fire Chief. This will be an expansion to the duties currently performed by our volunteer FC. In addition to current duties, the position will include training manager as well the day-to-day operational management of the Facility and Equipment with the person(s) handling the above responsibilities. All activities that Bill performs, other than Administration and as acting Fire Marshall will become the responsibility of the Fire Chief. The FC will report directly to the BOD.

The preferred candidate will be a LCFD volunteer qualified to take on these responsibilities. Whether this is a volunteer, paid position or a combination of both will be determined based on Bill's discussion with the candidate. Our goal is to have this position filled and Bill's associated responsibilities turned over in 2024. This cost will be absorbed in our current budget.

Update: Bill will have a meeting with the LCFD officers this week and discuss a plan together to shift the responsibility for training from Bill to the officer team. Details of that arrangement will be worked out with Bill and the Chief, Deputy Chief and Lieutenant. Our recommendation is that the person who assumes the overall training responsibility does so as a volunteer starting out (as Bill did 12 years ago). As the volunteer(s) fulfill their retirement tenure requirements and as the training function becomes better defined, the board can discuss with the person(s) a compensation program as necessary.

Bill and Evan will lead the effort with the officer team and will be charged with documenting the plan that defines the processes that will be used to manage training and present the plan to the board by the end of the first quarter (if possible). In addition, the Fire Chief and Bill will provide monthly updates to the board as to their progress with the transition as part of the Fire Chief's monthly report.

3. Fire Marshall. For 2024 Bill will continue in this position. Referring to Bill's letter to the County we expect that position to continue to grow. However, this position does not need to be a local resident. In addition, as we look at funding this position, we will explore other revenue streams. The FM works to enforce the Fire Code that the City and County have agreed on. Looking at the arrangement in Gunnison, there are other options as the FM function is actually a service for the City and County. This position will report directly to the BOD and our goal is to find someone in 2025. Salary and funding are yet to be determined.

Update: This will require presenting the history and make sure fire district's residents understand the Fire Marshall responsibilities were not covered by the original mill levy but were an add on as a separate Town contract. The Fire Marshall position and duties are NOT a component of the current LCFD mill levy funding. The FM contract was implemented without contractual funding being addressed; we now need to revisit that given the significant increase in the position's training certification requirements, technical complexities and the time required, (time increased significantly due to more physical inspections, increased regulations/complexity and abundant paperwork).

This committee has assigned to Bill and Mitchell as the team to discuss the funding issues with both Town and County as FM responsibilities now include both the Town and the County. We envision a process much like the Building Planning process where the Town and County fund together the Building Inspector position. The Fire Marshall funding may now be made up of three components: Town, County and LCFD. The committee recommends the team begins these discussions this summer in time for the Town and County to consider this issue before they finalize the 2025 budgets. We would recommend that Bill and Michelle update the board with their more detailed time-line and plan by the end of the second quarter.

4. Fire District Administrative Manager. This position will include Grant writing, implementation and associated follow-up and as managing the ISO certification. Will work with the FM and FC. This will be a contracted position, does not require residency in LC and will report to the BOD. For now, Bill has agreed to stay on to perform this function. No time line set for replacement. Update: No change

Bill's compensation as he mentors and transitions responsibilities will remain as it is until a replacement Fire Marshall is hired. We will adjust allocations by function appropriately beginning 1/1/2024. Michelle's responsibilities and compensation are not impacted at this time. No change.

To fund all these positions long-term, we will need to increase our revenue stream. There are some options to supplement our revenue stream with non-traditional methods such as discussed above under the FM function above. The financial plan will also depend on the results of the property tax issues and the future of the growth of OHV tourism. Update: Mill Levy. Given the negotiations that need to be done with the Town and County on the FM position, the implementation of this personnel plan to transfer the training and diesel/facility maintenance away from Bill and the unknowns regarding the stabilization of the property tax issue that will change based on the Colorado 2024 legislative session this year, we DO NOT recommend moving forward with a Mill Levy request in 2024.

This committee believes that they have completed their work to develop and set in motion a succession plan for Bill's eventual retirement and have brought clarification to the issue of the timing of a Mill Levy (if necessary). The update plans are now in place and responsibilities assigned going forward; therefore, the full board should now manage the progress on these plans as part of our monthly meeting. We recommend either a formal "Succession Plan Update" topic on the agenda with every meeting OR the District Manager can add a topic "Succession Plan Update" to the monthly status report. Unless there is an objection, the committee as originally formed is now dissolved.

LAKE CITY AREA FIRE PROTECTION DISTRICT

***P.O. Box 574
Lake City, Colorado 81235***

(970)944-2653

January 26, 2024

Attn:

Town Manager Alexander Mulhall, Mayor Roberts, and Board of Town Trustees

Re:

Fire Hydrant Snow Removal and Alley Clearing

The Board of Directors of Lake City Area FPD and the Firefighters of Lake City Fire/Rescue would like to thank and recognize Jameson Johnston, Willy Merfeld, and staff. After the most recent snow event these men worked tirelessly to clear snow from all alleys and fire hydrants. This thankless task is crucial for our firefighters to protect the community during emergency incidents.

Please commend these individuals for their hard work, we are blessed to have them in our community.

Respectfully Submitted,

Bill Hagendorf

Bill Hagendorf
District Manager/Fire Marshal
Lake City Area Fire Protection District
lakecityfirechief@gmail.com
210-414-6442

**Fire and Police Pension Association
Lake City Area FPD Volunteers 7205-5
For the Nine Months Ending September 30, 2023**

Beginning Balance	\$152,172.66
Plan Direct Inflows and Outflows	
Member Contributions	
Employer Contributions	\$2,700.00
Contributions from the SWDD Plan	
Refunds	
Affiliations/(Disaffiliations)	
Plan Transfers	
Net Benefits	(\$3,600.00)
Plan Directed Expenses	
State Funding	
Plan Direct Inflows and Outflows Sub-Total	<u>(\$900.00)</u>
Allocated Income and Expense	
Interest	\$781.45
Dividends	\$539.24
Other Income	\$78.57
Net Change Accrued Income	\$61.18
Unrealized Gain/Loss	\$4,542.19
Realized Gain/Loss	\$1,730.78
Defined Contribution Earnings (Net)	
Investment Expenses	(\$813.94)
Direct Expense Allocation	(\$962.00)
Other Expenses	(\$1,673.78)
Allocated Income and Expense Sub-Total	<u>\$4,283.69</u>
Ending Balance	<u><u>\$155,556.35</u></u>

Fire and Police Pension Association

Volunteer Fire Pension Plan Contributions LAKE CITY AREA FPD 7205-5

For the Reporting Period: 01/01/2023 through 09/30/2023

Deposit Date	Employer Contributions	State Matching Funds	Total Remittance
04/27/2023	\$2,700.00	\$0.00	\$2,700.00
Total Remittance			\$2,700.00
Calculated Contribution per the 01/01/2021 Actuarial Study			\$0.00
Difference Over/(Under)			\$2,700.00

Note: The Calculated Contribution amount is due to FPPA before 12/31/2023

**Fire and Police Pension Association
 Direct Expense Allocation Summary
 Lake City Area FPD Volunteers 7205-5
 For the Nine Months Ending September 30, 2023**

Type of Expense	2023 Budget	Year-to-Date Expenses	Payment of 2023 Expenses
Actuarial Expenses	\$1,188.48	\$801.68	
Audit Expenses	\$160.32	\$160.32	
Other Asset Allocation Study Expenses			
Total Direct Allocated Expenses & Payments	\$1,348.80	\$962.00	

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 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.

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

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

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