Loveland Fire Rescue Authority
Retirement Pension Plans Committee Meeting Minutes
January 13, 2017

Members Present:
Todd Heasty, Chair, Elected Member (Voting)
Greg Gilbert, Vice Chair, Elected Member (Voting)
Nick Bukowski, Elected Member (Voting)
Renee Wheeler, Employer Command Team Member (Voting)
Brendan Campbell, Employer Appointed Member (Voting)
Julia Holland, Employer HR Department Member (Non-voting)

Members Absent:
Mark Miller, Employer Executive Staff Member (Non-voting)
Dino Ross, Ireland Stapleton, Attorney for the Fire Authority
Rita Chandler, HR Liaison
Elizabeth Stemper, Innovest Representative

Also Present:
Cheryl Cabaruvias, Support Staff
Gordon Tewell, Innovest Representative
Gary Helm, ICMA-RC representative
Jared Martin, Innovest representative
Steve Hoostal, ICMA-RC representative

Call to Order
The meeting of the Loveland Fire Rescue Authority Retirement Pension Plans Committee ("Pension Plans Committee") was called to order at 10:01 a.m.

Administrative Allowance Balance
The committee discussed the Administrative Allowance balance and the 2017 budget. Cheryl Cabaruvias discussed the committee’s adopted policy to distribute excess revenue above the threshold of next year’s budget plus 15%. The proposed budget for 2017 is $42,295. With the addition of 15%, the minimum amount required in the Administrative Allowance balance is $47,161. The balance at the end of 2016 is approximately $75,411. This figure assumes a conservative fourth quarter administrative revenue of $12,500. Actual fourth quarter revenue is expected to be considerably higher, based on quarter 1-3. Assuming the conservative amount, there would be $28,250 available for participant distribution. Cheryl will work with Gary Helm for the distribution. Member Renee Wheeler made a motion to distribute any amount above the established threshold; Member Brendan Campbell seconded the motion. Vote was taken, the motion passed.

Meeting dates and location for 2017
The 2017 meeting calendar dates and location was reviewed. There were no changes. Member Brendan Campbell made a motion to accept the 2017 LFRA Pension Committee meeting dates and location as identified. Chair Todd Heasty seconded the motion. Vote was taken, the motion passed.

Approval of previous meeting minutes
There were no comments regarding the meeting minutes from September 9, 2016. Chair Todd Heasty made a motion to approve the meeting minutes from September 9, 2016. Member Nick Bukowski seconded the motion. Vote was taken, the motion passed.

**Plan Service Report**
Gary Helm provided an overview of the Plans’ assets, there were no questions.

**Plan Review**
Jared Martin discussed the overall economic outlook. Gordon Tewell discussed the status of the ICMA plan. Member Julia Holland asked about the asset allocation by age. Should we as a committee be concerned that a large percentage of members in the age group 56-65 are invested in high-risk investments? Gordon replied that yes, it is more common for those in that age group to be in less risky investments. Chair Todd Heasty said that his is an ongoing education issue. It is the committee’s commitment to educate the participants on responsible investing, and the participants should take advantage of available resources such as advisor Steve Hoostal.

Member Nick Bukowski asked about contribution limits. Gary Helm said that $18,000 is the maximum contribution for all 457 plans, and an additional $5,500 is allowed for all IRA plans. Member Julia Holland said that the City of Loveland Payroll division can be set up in such a way as to automatically stop payroll deductions when contributions reach the IRS established limits.

Chair Todd Heasty asked about the bond market considering the current market volatility. Gary Helm explained that volatility is dependent on interest rate increases.

**Plan Sufficiency Study**
Gordon Tewell discussed the Plan Sufficiency project. The current expected replacement ratio is 50% with a life expectancy of 85. The replacement ratio for non-sworn staff is 40%.

Chair Todd Heasty said that this is a good time to present a change to the LFRA Board. The healthcare challenge has been mitigated, which was the biggest financial block. Todd asked which LFRA Board meeting would be appropriate for the committee to present the idea to the LFRA Board for support. Vice Chair Greg Gilbert suggested that the committee should have a plan ready by April or May. Greg would also like to meet with the Police Department regarding their plan contribution change proposal that was adopted by City Council January 3, 2017. Discussion continued regarding the validity of the proposal, Member Brendan Campbell asked why the committee would opt not to pursue the proposal.

Vice Chair Greg Gilbert asked if the $300,000 supplemental budget appropriation covered 100% of the proposed increase, and Member Julia Holland said that it did. LFRA may choose to not allocate 100% of the proposed increase, based on anticipated participation.

Vice Chair Greg Gilbert posed the question, why does Boulder county and Larimer County contribute to social security. Member Julia Holland said that in the 1980’s the state offered municipalities the option which would be binding and irrevocable.
Member Brendan Campbell asked who from the LFRA Board would the committee coordinate with in order to move forward. Discussion continued regarding financial constraints and how they are different for the City of Loveland than for LFRA. Vice Chair Greg Gilbert said that the LFRA Board essentially has two options; to increase the current budget or adjust the current budget to accommodate the pension plan budget request. Gordon Tewell suggested that estimated 2018 salaries be used. Cheryl Cabaruvias will provide salary data to Gordon. Chair Todd Heasty will work with Member Renee Wheeler and Fire Chief Mark Miller for LFRA Board support and to determine the next steps. Vice Chair Greg Gilbert suggested that the committee move forward with a proposal to change pension plan contributions, which would decrease employer mandatory share by 1%, increase employee mandatory share by 1%, and add a voluntary employee contribution of up to 5% matched by the employer. Chair Todd Heasty made a motion to move forward with a proposal to change the pension plan contributions as mentioned above. Member Nick Bukowski seconded the motion. Vote was taken, the motion passed.

Member Julia Holland mentioned that the committee needed a 65% vote from the participants to change the contribution amounts. This vote should be taken in early March.

Cheryl Cabaruvias will schedule a meeting February 10th to discuss LFRA sworn retirement plan changes. Vice Chair Greg Gilbert made a motion to hold a special meeting February 10th to discuss LFRA sworn retirement plan changes, Chair Todd Heasty seconded the motion. Vote was taken, the motion passed.

Member Brendan Campbell asked about a non-sworn plan contribution change. Member Julia Holland suggested waiting for another time, although it would be a good idea to mention to the LFRA Board that the non-sworn plan contribution change proposal will be examined at a later date.

Member Nick Bukowski suggested that the committee conduct zoom meetings to discuss potential of plan contribution changes.

**Member term limits and officer selection**

The results of the vote for an open committee candidate was discussed. Cheryl Cabaruvias said that 55% of the vote was for Todd Heasty. Todd Heasty will remain as committee member for a 3 year term.

The committee discussed the chair and vice chair positions. Vice Chair Greg Gilbert made a motion that Member Nick Bukowski be vice chair, and Todd be chair. Member Brendan Campbell seconded the motion. Vote was taken, the motion passed.

Chair Todd Heasty talked about the education lineup. Steve Hoostal can provide zoom meetings at 4pm from Station 2. Steve suggested that Todd select from a list of topics for the quarterly zoom meetings. Todd discussed the option of the participants setting up appointments to meet with Steve. Member Greg Gilbert said that the responsibility for meeting with Steve should be on the individual. Steve will provide dates when he is available for face-to-face meetings, three days per quarter to allow all shifts to attend. Steve indicated that he could also set up phone meetings.

**Plan Administration Update**
Loveland Fire Rescue Authority
Retirement Pension Plans Committee Meeting Minutes
January 13, 2017

The committee discussed the 2017 budget. Legal charges will be incurred if there is an addendum to the plan documents, so $5,106 is appropriate for 2017 legal charges. Chair Todd Heasty made a motion to accept the 2017 budget as proposed. Vice Chair Nick Bukowski seconded the motion. Vote was taken, the motion passed.

Conferences for 2017
The 2017 CPPC meeting will be held August 29 – September 1 2017. NAGDCA will be in Milwaukee in the second or third week of September.

ICMA-RC contract
Member Greg Gilbert mentioned the review of ICMA-RC’s contract by innovest, which should take about six weeks. Gordon Tewell said that is part of their retainer. Gordon will compare costs to provide a benchmark, and provide an RFP only if prices are discordant with the market. This action was tabled until the next meeting.

Adjourn
Meeting was adjourned at 11:59 a.m.

<table>
<thead>
<tr>
<th>Organization</th>
<th>People</th>
<th>Philosophy &amp; Process</th>
<th>Style Consistency</th>
<th>Asset Base</th>
<th>Performance</th>
<th>Expenses</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard S&amp;P Index:Adm (VFAX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AllianzGI NFJ DVA (PNEX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harbor Cap Apprc.Inv (HCAIX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Md Cp Idx:Adm (VMAX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J Hancock III:VMC I (JVMX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artisan Md Cap.Inv (ARTEKX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Sm-Cp Idx:Adm (VMAX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diamond Hill Sim Cap:A (DHSCX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Am Beacon:Sm Cp Gro.Inv (STSGX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Tot I Silk:Adm (VTIA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dodge &amp; Cox Intl Block (DOQFX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artisan Intl Matt.Inv (ARTIX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFA Emg Mkts Core Eq:1 (DFCEX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Met West Total Retum M(MWTRX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Tot Bd:Adm (VBLTX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JPMorgan High Yield Sel (OHYFX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voya Gbl REA (IGLAX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vantage Trust Plus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Tgt Ret2030.Inv (VTHRX)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The foregoing minutes, having been approved by the Loveland Fire Rescue Authority Retirement Pension Plans Committee, constitute the official minutes of the meeting held on the date stated above.

Todd Heasty, Chair

Cheryl Cabaruvias, Support Staff