

**Volunteer Firefighter and EMT Pension Fund
Board Meeting – Hudson, WY
January 7, 2016**

A meeting of the Volunteer Firefighter and EMT Pension Fund Board was held at 7:05 pm on Thursday, January 7, 2016 at Svilar's restaurant in Hudson, Wyoming.

Board members participating:

Mr. Gene Diedtrich (Chair) (Newcastle)
Mr. Lanny Applegate (Vice-Chair) (Cheyenne)
Mr. Kim Lee (Riverton / Cheyenne)
Mr. Jerry Munger (Wheatland)
Mr. Tracey Brown (Lingle)

Board members absent and excused:

Mr. Alan Sessions (Afton)
Mr. Eric Quinney (Evanston)

Staff members participating:

Mr. David Swindell, Wyoming Retirement System.

Others in attendance:

Cyrus Rahman, Albany County Fire
Nick Hudson, Lander Volunteer Fire Dept
Shad Cooper, Sublette County Unified Fire District
M.L. Baxley, Sublette County Unified Fire District
Chris Kocher, Worland Fire Department
Brent Godfrey, Big Horn FD#2
Kay Munger, guest of board member Jerry Munger

Chairman Diedtrich called the meeting to order at 7:05 pm. Mr. Swindell explained that he was substituting for Director Ruth Ryerson, who was unable to attend the meeting due to injuries suffered in a fall on the ice in the WRS parking lot the previous Monday evening. Board members expressed their concern and wished Ms. Ryerson a speedy recovery.

1) Board Meeting Minutes from September 15, 2015. The Volunteer Firefighters and EMT Pension Fund minutes from September 15, 2015 were considered.

MOTION 1-7-2016 (#1): Mr. Brown moved to approve the minutes as presented. Mr. Applegate seconded. Motion carried unanimously.

2) Review of Financial Reports. The financial statements for August, September, October and November 2015 were reviewed. Chairman Diedtrich noted that the monthly investment fees were incorrectly restating the year to date fees instead of the monthly fees and advised board members to focus on the year to date numbers. Mr. Applegate asked Mr. Swindell to provide electronic copies of the monthly financials as they were completed in between board meetings. Mr. Swindell said WRS would do that.

MOTION 1-7-2016 (#2): Mr. Lee moved to approve the monthly financial reports with the corrections to the monthly investment fees. Mr. Brown seconded. Motion carried unanimously.

Premium Tax Transfer Report. Mr. Swindell noted that the premium tax transfer received on 11/24/2015 was \$725,898.00, significantly greater than the same period one year ago (11/24/2014, 439,677.00). The increase was largely due to the increase in the percentage of the fire premium tax involved in the transfer, increasing from 50% to 70% as result of the legislation taking effect on 1 July, 2015. This payment reflected the quarter including July, August and September and was the first quarterly payment to reflect the percentage change. Chairman Diedtrich noted that the final actuary estimates extended the timeframe of full funding from 10 years to 14 years, which was disappointing.

MOTION 1-7-2016 (#3): Mr. Lee moved to approve the premium tax transfer report. Mr. Brown seconded. Motion carried unanimously.

Asset Reports. Mr. Swindell noted that the assets of the plan were growing, albeit with monthly fluctuations attributed to market results. In particular, he noted the drop in assets in August and September, followed by a rebound in October and November. Mr. Swindell noted that such fluctuations were to be expected and the plan was likely headed for another period of market volatility considering the down markets experienced during the first week of trading in 2016. While of note, it was only long-term performance that was important to the plan and the WRS investment team would position the fund to take advantage of any buying opportunities.

MOTION 1-7-2016 (#4): Mr. Brown moved to approve the minutes as presented. Mr. Lee seconded. Motion carried unanimously.

3) Review of Membership Reports. The membership reports as of December 31, 2015 contained the following highlights:

- Active Contributing Members: 2,360
- Retirees: 1,086
- Survivor pensions: 184
- Smallest monthly pension: \$44.88
- Largest monthly pension: \$719.70

MOTION 1-7-2016 (#5): Mr. Lee moved to approve the membership reports. Mr. Brown seconded. Motion carried unanimously.

Participating Departments. The board reviewed the participating department report, noting 122 participating agencies.

MOTION 1-7-2016 (#6): Mr. Brown moved to approve the participating department report. Mr. Lee seconded. Motion carried unanimously.

Service Purchase reports. The board reviewed the service purchase reports for the quarter, noting 10 service purchases during the September – December timeframe, indicated in red on the detailed listing.

MOTION 1-7-2016 (#7): Mr. Applegate moved to approve the service purchase report. Mr. Munger seconded. Motion carried unanimously.

Newly refunded and retired report. The board reviewed the refunded accounts and new retirees for the September – December timeframe. Mr. Swindell noted that the retiree report listed Mr. Hayworth of Crook County twice, but he was only retired once, so there were 13 retirees not 14. Nine members refunded their accounts during the period.

MOTION 1-7-2016 (#8): Mr. Brown moved to approve the refunded and retired report. Mr. Lee seconded. Motion carried unanimously.

Chairman Diedtrich noted the inclusion of the detailed listing of all retiree and survivor pensioners, stating that it was for information and no board action was necessary.

4) Review and Approval of Rules for the new combined volunteer plan. Chairman Diedtrich asked Mr. Swindell to explain the rule adoption process. Mr. Swindell explained that board had the power to adopt rules with the force of law, but the process required legal review, public comment opportunity and ultimate approval by the Governor. In lieu of permanent rules, the board had previously adopted temporary emergency rules at the last meeting. The permanent rules had since been published and the board was now in a position to recommend permanent rules to the Governor. In an associated action, the board may wish to extend the current emergency rules which will expire on January 28th. Extension will allow the Governor to consider the permanent rules in a deliberate manner and eliminates any risk that the system would operate with no rules in place. Finally, if the board approves the permanent rules, it will also be appropriate to repeal the rules from the old volunteer firemen's plan and old EMT plan, since those plans no longer existed after the combination occurred on 1 July 2015.

Chairman Diedtrich asked Mr. Swindell if the combined board had the power to repeal the old rules from the old plans. Mr. Swindell replied that the new combined board did have this power.

Chairman Diedtrich asked Mr. Swindell if any comment on the proposed permanent rules was received from the public. Mr. Swindell replied that no comment was received from the public. The Legislative Services Office (LSO) offered several formatting suggestions. WRS staff offered comments to further clarify the service purchase rule whereby service purchase of up to 5 years did not constitute credit towards the 10 year service rule at which point grandfathered members of the system could cease active volunteer service but contribute on their own until they achieved the mandatory retirement age under their previous plan. Discussion followed on the merits of requiring a minimum of 10 actual years of service and clarification that the contribution on one's own was a grandfathered provision impacting members of the system as of June 30, 2015 and earlier.

MOTION 1-7-2016 (#9): Mr. Applegate moved to recommend extension of the current emergency rules. Mr. Munger seconded. Motion carried unanimously.

Mr. Swindell noted that the LSO and staff comments on the new permanent rules were considered by the Attorney General's office to be consistent with the original proposed rules. Therefore, the comment was "non-substantive." While useful and incorporated into the final draft, no further public comment was required.

MOTION 1-7-2016 (#10): Mr. Brown moved to recommend the new permanent rules as amended by non-substantive staff comment for adoption. Mr. Lee seconded. Motion carried unanimously.

The Board then considered the matter of repealing the old rules from the old plans.

MOTION 1-7-2016 (#11): Mr. Applegate moved to repeal Chapter 1 of the Volunteer Firemen's Pension Board rules, which are to be superseded by the new rules. Mr. Brown seconded. Motion carried unanimously.

MOTION 1-7-2016 (#12): Mr. Applegate moved to repeal Chapters 1 through 3 of the Volunteer EMT Pension Board rules, which are to be superseded by the new rules. Mr. Munger seconded. Motion carried unanimously.

Mr. Diedrich recessed the meeting at 8:00 PM because the meal was arriving.

At 8:29 PM the board voted to reconvene the meeting.

MOTION 1-7-2016 (#13): Mr. Applegate moved to reconvene the meeting. Mr. Lee seconded. Motion carried unanimously and the Board continued deliberations.

5) Bert Meredith pension issue discussion. The Board reviewed a memorandum from General Counsel Ben Brandes regarding payment situation with one retiree. Mr. Swindell provided additional comments, describing that the member had retired in 2000 and changed bank accounts in 2005. When the account was changed in 2005, WRS entered the account number in error on one digit. The member did not notify the system and the bank accepted the deposit but credited the money to another person's account. In the fall of 2015, a bank deposit was rejected; the bank had new software that detected when an account number and the account beneficiary did not match. Thus the error was discovered. The account has since been corrected for the monthly flow and the system was proceeding with processes to make the member whole. The amount involved will be considerable over the previous 10 years (approximately \$43,000) along with interest as may be negotiated.

Discussion followed regarding who was at fault for the situation and what the prospects might be for obtaining compensation from the party who wrongfully benefited from the error. The sense of the Board was that WRS should act quickly albeit prudently to make the member whole including appropriate interest amounts.

6) Other Matters. Chief Chris Kocher of the Worland Fire Department expressed that two members of his department were having trouble getting information about service purchases. They were to be called back by WRS staff, but had complained to him that WRS had not followed through. Mr. Swindell apologized for the situation and said he would work issue with Chief Kocher after the meeting.

7) Date and Location of Next Meeting. Chairman Diedrich proposed the next meeting to be on Friday, April 1, 2016 at Svilar's in Hudson, WY.

8) Adjournment. There being no further business, Chairman Diedrich asked for a motion to adjourn.

MOTION 1-7-2016 (#14): Mr. Brown moved to adjourn the meeting. Mr. Munger seconded. Motion carried unanimously and the Board adjourned at 9:05 pm.