

**Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board Meeting**  
**Svilar's Steak House, Hudson, WY**  
**April 1, 2022**

A meeting of the Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board was held at 7:00 p.m. on Friday, April 1, 2022 at Svilar's Bar & Steakhouse in Hudson, Wyoming.

Board members participating:

Mr. Gene Diedtrich (Chairman) (Newcastle)  
Mr. Lanny Applegate (Vice-Chair) (Cheyenne)  
Mr. Tracy Brown (Lingle)  
Mr. Kim Lee (Riverton)  
Mr. Jerry Munger (Wheatland)  
Mr. Eric Quinney (Evanston)  
Mr. Dennis McDonald (Afton)

Board members absent and excused: Mr. Clint Becker (Douglas)

Wyoming Retirement System (WRS) Staff members participating:

Mr. David Swindell, Executive Director

Others in attendance: Mr. Donny Munger (Newcastle Volunteer Fire Department) and Mr. William Scherp (Riverton Fire Department)

Chairman Diedtrich called the meeting to order at 7:05 p.m.

**1) New Board Member.** Chairman Diedtrich noted the appointment and presence of new board member Dennis McDonald of the Afton Volunteer Fire Department.

**2) Board Meeting Minutes from January 6, 2022.** The Volunteer Firefighter, EMT, and SAR Pension Fund minutes from January 6, 2022 Volunteer Meeting were considered.

**MOTION 04-01-2022 (#1):** Mr. Applegate moved to approve the minutes as presented. Mr. Brown seconded. Motion carried unanimously.

**3) Review of Financial Reports.** The financial statements for the months ending November, 2021 and December, 2021 were reviewed, noting that plan assets as of December 31, 2021 totaled \$108,686,818.50, which was a record total.

Premium Tax Transfers. Mr. Swindell provided the Fire Insurance Premium Tax Transfer amount on November 22, 2021 of \$1,019,751.68 (for the 3<sup>rd</sup> quarter of 2021) and \$3,065,522.41 so far for the 2021 fiscal year. A final 2021 payment is expected in May, 2022, along with a 1<sup>st</sup> quarter 2022 payment. These payments are all earned in either 2021 or the first quarter of 2022 and will be

allocated 100% to the volunteer plan. The 40% diversion imposed by SF0039 will take effect for payments earned April 1, 2022 and beyond. The first quarterly payment impacted will be the 2<sup>nd</sup> quarter 2022 payment, normally transmitted by the Department of Insurance in August or early September.

**MOTION 04-01-2022 (#2):** Mr. Quinney moved to approve the financial reports as presented. Mr. Munger seconded. Motion carried unanimously.

**4) Review of Membership Reports. The membership reports as of March 28, 2022 contained the following highlights:**

Active Contributing Members: 2,399

Retirees: 1,362

Survivor pensions: 293

Monthly pension total: \$592,104.90

Smallest monthly pension: \$35.14

Largest monthly pension: \$752.17

Average monthly pension: \$357.77

Participating Departments. The Board reviewed the participating department report, noting 119 participating agencies.

Service Purchase reports. The Board reviewed the service purchase reports for the quarter, with three pending service purchases during the January to March 2022 timeframe.

Newly refunded and retired report. The Board reviewed the refunded accounts and new retirees for the January through March 2022 2021 timeframe. There were nine new retirements and 22 members refunded their accounts during the period.

Deceased members by plan report. The report shows 8 retirees and survivors who passed.

**MOTION 04-01-2022 (#3):** Mr. Lee moved to approve the membership reports. Mr. Munger seconded. Motion carried unanimously.

**5) Director's Report.** Mr. Swindell provided a report to the Board regarding asset returns, actuarial matters and Russian exposure in the investment portfolio. Highlights included:

- Final audited investment return in calendar 2021 was 17.19%. 2022 year to date was proving rocky, but the diversified portfolio had pockets of strength to somewhat offset weak markets. At the end of February, the fund was down -3.85%.
- During their February 2022 meeting, the WRS board reduced the assumed rate of return to 6.8% instead of the previous 7.00%. In addition, the Board had previously adopted revised mortality tables and updated assumptions as recommended by the System actuaries. The net effect of both changes was minor. The accrued liability rose from a baseline of \$117,988,000 to \$118,634,000. The funded valuation didn't move much as result, remaining at 76% to the nearest percentage point. There was a more measurable impact in the out-year projection (for example, the 20 year funding projection was 156%, now reduced to 146%). But the actions reduced risk in the plan. Updated assumptions are important and it will be moderately easier and more likely to achieve 6.80% instead of 7.00%.
- After Russia invaded Ukraine, much focus has been on investment markets and portfolio exposure to Russian assets. As a global investor, WRS did have some Russian exposure, but it was small. It amounted to about 1/10<sup>th</sup> of 1% of the \$10 Billion portfolio. These assets were now frozen as markets for these securities are not trading. Most are held in comingled investments with other investors, so WRS does not have unilateral decision authority. Staff expects that international markets will develop paths for divestiture and prohibiting new investments, which seems prudent on a number of grounds (legal, risk and moral). For now, the Board should know that our exposure is not material.

At 7:55 pm, Mr. Diedtrich paused the meeting as dinner was served. The meeting resumed at 8:30 pm.

**6) Other Matters – Rules discussion.** Previously, the Board had discussions about a rule covering the definition of what should constitute part-time for members of the plan, with guidance to devise a rule using an average of 29 hours per week. Mr. Swindell noted that WRS's legal counsel was working on this as well as technical updates incorporating EMT and SAR membership. In addition to all this, staff had identified a need to clarify the Board's intent via rule regarding the definition of a "surviving spouse." Existing statute says that this is the spouse at the time of entry into volunteer service, or as otherwise determined by Board special action. Mr. Swindell stated that special action was indeed up to the Board, but a more useful standard might be that the surviving spouse was the spouse at the time of death of the volunteer, whether that was while in active service, in a deferred status or as a retiree. This would allow for cases of divorce, widows, and re-marriages. It would be useful to have this incorporated into rule, to avoid legal arguments regarding the rightful surviving spouse. There was an option to limit the retiree surviving spouse to the spouse of record at the time of retirement. This would have some actuarial benefit to the plan, but would limit a retiree's ability to enter into a new marriage after retirement and have that marriage qualify for the spousal benefit. Mr. Swindell asked for input so that a proposed rule could be developed. The board members deferred voting until the rules were drafted

but provided guidance that the “spouse as of the date of death” was the preferred philosophy. Mr. Swindell will bring both the part-time and spousal rules for consideration at the June meeting.

**7) Date and Location of Next Meeting.** Chairman Diedrich led a discussion resulting in a proposal for the next meeting to be on Wednesday, June 15, 2022 at Svilar’s Steak House, Hudson Wyoming at 7:00 p.m. The rest of the Board agreed.

**8) Adjournment.** There being no further business, the Volunteer Board adjourned at 8:50 p.m.