

Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board Meeting
Wyoming Rib & Chop House, Cheyenne, WY
September 21, 2022

A meeting of the Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board was held at 6:00 p.m. on Wednesday, September 21, 2022 at the Wyoming Rib & Chop House in Cheyenne, Wyoming.

Board members participating:

Mr. Gene Diedtrich (Chairman) (Newcastle)
Mr. Lanny Applegate (Vice-Chair) (Cheyenne) (via phone from Lander)
Mr. Clint Becker (Douglas)
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: None

Wyoming Retirement System (WRS) Staff members participating:

Mr. David Swindell, Executive Director
Ms. Rachel Meeker, Internal Audit Manager
Mr. Adam Waddell, Internal Auditor

Others in attendance: Mr. Byron Mathew, President Wyoming Fire Chiefs Association.

Chairman Diedtrich called the meeting to order at 6:05 p.m.

1) Board Meeting Minutes from June 15, 2022. The Volunteer Firefighter, EMT, and SAR Pension Fund minutes from the June 15, 2022 Volunteer Meeting were considered.

MOTION 09-01-2022 (#1): Mr. Applegate moved to approve the minutes as presented.
Mr. Munger seconded. Motion carried unanimously.

2) Review of Financial Reports. The financial statements for the months ending April, 30, 2022, May 31, 2022, and June 30, 2022 were reviewed, noting that plan assets as of June 30, 2022 totaled \$98,059,428.59. It was also noted that the plan had received a fire insurance premium tax transfer on 8/29/2022 totaling \$655,876.26. This was the first transfer reflecting the change to a 60% share instead of a 100% share due to legislation passed in March.

MOTION 09-02-2022 (#2): Mr. Brown moved to approve the financial reports as presented. Mr. Applegate seconded. Motion carried unanimously.

3) Review of Membership Reports. The membership reports as of September 1, 2022 contained the following highlights:

Active Contributing Members: 2,365

Retirees: 1,380

Survivor pensions: 290

Monthly pension total: \$598,762.53

Smallest monthly pension: \$35.14

Largest monthly pension: \$752.17

Average monthly pension: \$358.54

Participating Departments. The Board reviewed the participating department report, noting 117 participating agencies, with 2,365 members, net of +8 for the quarter.

Service Purchase reports. The Board reviewed the service purchase reports for the quarter, with no service purchase activity during the 6/1/2022 to 8/31/2022 timeframe.

Newly refunded and retired report. The Board reviewed the refunded accounts and new retirees for the June thru August timeframe. There were seven new retirements and seven members refunded their accounts during the period.

Deceased members by plan report. The report shows five retirees who passed.

MOTION 09-03-2022 (#3): Mr. Brown moved to approve the membership reports. Mr. Applegate seconded. Motion carried unanimously.

4) Director's Report. Mr. Swindell provided a report to the Board regarding asset returns and actuarial matters. Highlights included:

- Total fund return as of June 30, 2022 was -8.36% YTD and -2.76% over one year. The YTD return beat the benchmark by 0.84% and the one year benchmark by 1.87%, ranking in the 19th percentile (YTD) and 11th percentile (one year) vs peers. So the investment

team is doing well against their benchmark and versus peers, but it is still a loss in absolute terms.

- Markets have continued to be weak. July and early August showed some recovery, but markets declined in late August and early September.
- But WRS is a long term investor and the team will use this opportunity to buy quality assets at good prices.
- Impact of a loss in 2022. Mr. Swindell noted that because investment results are smoothed over 5 years and because right now the market value is much higher than the smoothed actuarial value, the impact of a potential loss in 2022 will not cause a large change in the actuarial funding ratio. If the fund were to return -5.00% in 2022, the 2023 projection would still be 83.4% -- still a modest improvement from the current 81.3%. However, looking past 5 years, there is no more smoothing and the longer term projections will be much more volatile. The year of projected 100% is pushed out 2029 to 2046. The actuaries can't assume a recovery.
- But remember that WRS is a long-term investor and we should expect some losing years. Last year we earned 17.2% -- some reversion is to be expected.

At 7:00 pm, Mr. Diedtrich paused the meeting as dinner was served. The meeting resumed at 8:00 pm.

5) Internal Audit Reports.

The board considered recommendations from the WRS internal audit department.

- Internal audit reviewed service and meeting attendance records from 10 agencies and recommended service credit adjustments for 4 members from 4 of these agencies. Details with personal information were provided in hard copy to board members.
- Accept a report on Search and Rescue organizations showing that six such organizations are now in the plan with 140 members. The audit department conducted a review of Big Horn County Search and Rescue since they had the largest number of members (43). The review will help develop best practices to document compliance for search and rescue organizations.
- Auditor Adam Waddell noted that the audit cycle had now gone full circle and that audit was about to proceed with auditing departments for a second time after 5 years. The audit department believed that the audit process was serving the intent to help ensure professionalism and compliance with statutory attendance requirements.

MOTION 09-04-2022 (#4): Mr. Quinney moved to approve the recommendations of the internal audit department. Mr. Becker seconded. Motion carried unanimously.

6) **Rules Discussion.** Mr. Swindell reported that the subcommittee on the two rules topics and not met. There are two issues under discussion. The first is whether there should be a rule further defining what should constitute a firefighter devoting his "entire time of employment" to a fire

department (for inclusion in the Paid Fire B plan) and “less than his entire time of employment to activities of a volunteer fire department” (for inclusion in the Volunteer plan).

There is a second rule proposal regarding a potential need to clarify via rule 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. There are several potential avenues, each with their own merits and issues. Chairman Diedtrich asked who would be responsible for setting a meeting so that the issue was moved along. Mr. Swindell stated that the WRS staff would propose and coordinate a meeting of the subcommittee.

7) Trustee Honor. Chairman Diedtrich noted that Vice-Chair Lanny Applegate had been inducted into the Wyoming Firefighters Hall of Fame in August. The board expressed congratulations to Mr. Applegate and thanked him for his service.

8) Date and Location of Next Meeting. Chairman Diedtrich led a discussion resulting in a proposal for the next meeting to be on Thursday, January 5, 2023 at Svilar's Bar and Steak House in Hudson Wyoming at 7:00 pm. The rest of the Board agreed.

9) Adjournment. There being no further business Mr. Quinney moved to adjourn, and Mr. Becker seconded. The Volunteer Board adjourned at 8:41 p.m.