

**Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board Meeting  
Three Canyons Restaurant, 1800 Cedar Creek Drive, Star Valley Ranch, WY  
September 25, 2023**

A meeting of the Volunteer Firefighter, EMT, and Search & Rescue Pension Fund Board was held at 1:30 pm on Monday, September 25, 2023 at the Three Canyons Restaurant in Star Valley Ranch, Wyoming.

Board members participating:

Mr. Gene Diedrich (Chairman) (Newcastle)  
Mr. Lanny Applegate (Vice-Chair) (Cheyenne)  
Mr. Tracy Brown (Lingle)  
Mr. Kim Lee (Riverton)  
Mr. Dennis McDonald (Afton)  
Mr. Eric Quinney (Evanston)  
Mr. Clint Becker (Douglas)

Trustee Mr. Jerry Munger (Wheatland) was excused.

Wyoming Retirement System (WRS) Staff members participating:

Mr. David Swindell, Executive Director  
Ms. Rachel Meeker, Deputy Director  
Mr. Adam Wadell, Internal Audit Manager  
Mr. Andrew Mayer, Senior Investment Officer

Others in attendance: Mr. Rod Hilyard (Afton Volunteer Fire Dept.), Ms. Joyce Diedrich, and special guest Senator Dan Dockstader (R – Senate District 16, Lincoln, Teton counties).

Chairman Diedrich called the meeting to order at 1:30 p.m.

**1) Board Meeting Minutes from June 14, 2023.** The Volunteer Firefighter, EMT, and SAR Pension Fund minutes from the June 14, 2023 Volunteer Meeting were considered.

**MOTION 09-01-2023 (#1):** Mr. Quinney moved to approve the minutes as presented.  
Mr. Applegate seconded. Motion carried unanimously.

**2) Review of Financial Reports.** The financial statements for the months ending April 30, 2023 were reviewed, noting that plan assets as of April 30, 2023 totaled \$100,605,427.17. The Board noted the arrival of \$707,305.68 in fire insurance premium tax allotment on 8/30/2023 and noted that a \$9 million special appropriation approved during the 2023 legislative decision did arrive on 1 July 2023 and will be reflected in the financial reports as those periods close.

**MOTION 09-02-2023 (#2):** Mr. Brown moved to approve the financial reports as presented. Mr. McDonald. Motion carried unanimously.

**3) Review of Membership Reports. The membership reports as of September 18, 2023 contained the following highlights:**

Active Contributing Members: 2,372

Retirees: 1,426

Survivor pensions: 295

Monthly pension total: \$624,355.07

Smallest monthly pension: \$35.14

Largest monthly pension: \$810.75

Average monthly pension: \$362.79

Participating Departments. The Board reviewed the participating department report, noting 119 participating agencies, with 2,372 members, net of +6 for the quarter.

Service Purchase reports. The Board reviewed the service purchase report for the quarter, with one pending service purchase transaction during the period of 6/1/2023 thru 9/18/2023.

Newly refunded and retired report. The Board reviewed the refunded accounts and new retirees for the 6/1/2023 thru 09/18/2023 timeframe. There were 16 refunds and 9 new retirements.

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

**MOTION 09-03-2023 (#3):** Mr. Quinney moved to approve the membership reports. Mr. Becker seconded. Motion carried unanimously.

**4) Director's Report.** Mr. Swindell provided a report to the Board regarding operational matters. Highlights included:

- The 2024 budget session will begin on Monday, 12 February 2024. The agency is scheduled for a budget hearing with the Governor and staff on Friday, 6 October 2023 and will have a hearing before the Joint Appropriations Committee (JAC) either in mid-December or mid-January.
- This year, WRS is requesting a number of positions (total of nine) in one of the larger reorganization and personnel requests in recent times. The request would add 4 positions to the investment team (restoring an analyst and adding three middle and back office

support positions). On the pension administration side, the request would add 4 new positions and convert one 457 contractor to a state employee. The intent is to:

- Restore the investment analyst and provide essential middle and back office support to the investment team, so that investment risk is better monitored and investment staff is not diverted to administrative duties.
- Add staff on the pension administration side to address key person risk in areas of current “one-man bands” (communications and investment accounting).
- Add staff to strengthen training and oversight over member accounting and add staff for policy & procedure development
- Convert a 457 contract position to a state employee so that the person can be fully functional and approve participant distributions
- Elevate the current Operations Manager to a Chief Benefits Officer and organize all the activities impacting active members under one supervisory structure (Member Benefits, Communication, Front Desk/Call Center and Education).

Mr. Swindell noted that industry metrics for headcount and administrative costs would still be on the low side even after plan implementation. The program conforms to consultant recommendations and was approved by the main WRS Board. The path ahead is uncertain, but he wanted the Volunteer Board to be aware, since this is also the Volunteer Board’s investment and pension administration staff.

- Mr. Swindell also noted that there were contribution rate adjustments being proposed in the Judicial, Warden/Patrol and Law Enforcement plans. The adjustments are necessary to keep these funds on track and recommended by our actuaries.
- There is also an initiative to consider placing rate adjustments for the large Public Employee plan into an administrative mechanism based on the actuarially determined contribution (ADC) rate. Rates could adjust every two years based upon what the actuarial analysis indicated and would be included in standard budgets like medical insurance is done now.
- There is a JAC hearing on 26 October to consider bill drafts on Judicial, Warden/Patrol and Law Enforcement plans as well as a briefing on the “ADC concept.”
- Neither the rate adjustments or ADC concept directly affect the Volunteer Plan, as the rates are in other plans and the ADC concept would not apply to the Volunteer Plan (there is no payroll and no percentage of payroll rates). But the Board should be aware and know that these don’t affect the Volunteer Plan.

**5) Investment Update.** Senior Investment Officer Andrew Mayer briefed the board on investment activities. Mr. Mayer noted that the investment markets were volatile, but recovering from a difficult 2022. So far, the fund is up more than 7% for the year, exceeding our 6.80% actuarial target.

In addition, the team is out-pacing both the fund benchmark and doing well compared to peer funds. The following table summarizes performance over time, with some emphasis on the 3 and 5 year returns, which WRS judges to be most reflective, since we are a long term investor and the periods reflect the efforts of the current team, which has been in place all those years.

**WRS Returns**

- WRS annual returns outperformed the benchmark over all historical periods. Risk-adjusted returns (Sharpe ratio) also outperformed over all periods.
- Asset allocation and manager selection both produced positive return attribution relative to benchmark over the 3- and 5-year periods.
- WRS is in the top decile for the 2-, 3-, 5-, and 7-year periods.
- As an investment team, we measure our performance primarily by the 3-year and 5-year returns relative to benchmark. We believe these periods are long enough to have a meaningful sample size, but not so long that they reflect the legacy decisions of the previous investment teams and not the current team.

Annualized Performance % as of June 30, 2023								
	<u>2023 Q2</u>	<u>YTD</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>5 Years</u>	<u>7 Years</u>	<u>10 Years</u>
<b>Total Fund</b>	2.88	7.05	8.64	2.78	10.38	8.09	8.69	7.60
Strategic Benchmark	3.12	7.06	7.18	1.09	8.71	6.50	7.57	6.98
WRS Over Under	-0.24	-0.01	1.46	1.69	1.67	1.59	1.12	0.62
<b>WRS Peer Rank (Percentile)</b>	<b>24</b>	<b>31</b>	<b>27</b>	<b>9</b>	<b>9</b>	<b>3</b>	<b>10</b>	<b>33</b>
Peer Median Return	2.59	6.48	7.57	-0.04	8.28	6.52	7.67	7.29
WRS Over Under	0.29	0.57	1.07	2.82	2.10	1.57	1.02	0.31
<b>Reference Portfolio</b>								
70% MSCI ACWI / 30% Barclays Multiverse	3.88	10.13	11.21	-3.07	6.22	5.55	6.63	6.34
WRS Over Under	-1.00	-3.08	-2.57	5.85	4.16	2.54	2.06	1.26
<b>6.8% Actuarial Target</b>			6.80	6.80	6.80	6.80	6.80	6.80
WRS Over Under			1.84	-4.02	3.58	1.29	1.89	0.80

Mr. Mayer noted that in the Peer Rank (Percentile) returns, the measurement is like golf in that lower is better. The 9 percentile mark at the 3 year point means that WRS outperformed 91% of peer funds (about 60 portfolios of public funds with \$1 Billion or more under management).

Mr. Swindell noted that the fund is achieving these results with modest risk. For example, the one year peer performance was in the 27<sup>th</sup> percentile. That’s a good “top third” result, but it is the ability to keep stringing good performance together that gets really good 3 and 5 year results.

Mr. Mayer commented on the relative mix of “risk” assets compared to the fund benchmark, noting that the fund roughly tracked the benchmark, but generally held less “risk” assets in most time periods compared to the benchmark.

**6) Internal Audit Reports.**

The board considered recommendations from the WRS internal audit department.

- 11 departments were audited for attendance with the audit focus on the January 1, 2022 to December 31, 2022 period.
- In general, departments were doing a good job of recording meeting attendance and demonstrating compliance with applicable statutes, especially the larger departments.
- Eight members from four departments were found to have insufficient meeting attendance.
- The audit department recommends that their service credit be adjusted accordingly and the related contributions be returned.
- The audit department further recommends that reporting on the audit of Laramie Co. #10 Volunteer Fire Department be further delayed until the Board’s January meeting, as the agency is still in the process of providing the necessary documentation.

**MOTION 09-04-2023 (#4):** Mr. Lee moved to approve the eight service adjustments as recommended. Mr. Applegate seconded. Motion carried unanimously.

**MOTION 09-05-2023 (#5):** Mr. Quinny moved to approve the recommendation to further delay the audit of Laramie County #10. Mr. Lee seconded. Motion carried unanimously.

**8) Senator Dockstader recognition.** Chairman Diedtrich noted that Senator Dockstader was a strong supporter of the fire service and thanked him for his efforts and attendance at this meeting. Senator Dockstader acknowledged the recognition and thanked the board for meeting in his district.

**7) Date and Location of Next Meeting.** Chairman Diedtrich led a discussion resulting in confirming the next board meeting for Thursday, January 4, 2024 at 7:00 pm at Svilar’s restaurant in Hudson, WY. This is the evening before the Fire Chief’s meeting in Riverton on Friday. The Board will gather at the Riverton VFD and take a van to Hudson.

**8) Adjournment.** There being no further business Mr. Brown moved to adjourn, and Mr. McDonald seconded. The Volunteer Board adjourned at 2:40 p.m.