



Memorandum

To: City Council
From: Ben Cowan
Date: 9/8/2015
Re: Firemen's Pension Semi-Annual Update

The bylaws of the Gunnison Firemen's Pension Fund requires a report to be provided to City Council semi-annually. The last meeting was held on August 27, 2015. Here is a quick synopsis of the actions taken at the meeting:

- 1) Bylaws Amendment
 - a. The bonding provision was removed similar to the removal of the bonding provision in the City Chart that was removed during the 2015 election. The government crime and employee dishonesty coverage sufficiently protects the people of the City from any malfeasance.
 - b. Since the Firemen's Pension Board amended the meeting dates during the January 22, 2015 meeting to accommodate the reporting requests from Wells Fargo for the investment update, the required updates to Council also needed to be pushed back one month.
- 2) Actuarial Report. Paul Barker, with the Actuarial Consulting Group, presented the actuarial report. Pensions are either contribution driven or asset driven where benefits are supported by funds in pension fund. Gunnison's plan is driven by both sources and Mr. Barker believes the plan is very healthy. The cash contributions and balance is more than enough to support the current \$350 benefit level and the Board should begin looking ahead to the next benefit level. New requirements make the actuarial report necessary every year rather than every other year. The Board agreed to maintain the current pension levels at \$350 per month, \$175 for a surviving spouse, and \$1,000 for the death benefit.
- 3) Financial Report. The fund balance is \$2,095,700.08. \$6,203.23 has been paid out to Well Fargo. \$4,000 was paid to Actuarial Consulting Services. Benefits have been paid totaling \$69,375.
- 4) Investment Report. The fund is invested in about 54% stocks and 43% bonds and 3% cash. The portfolio has shown to be very resilient during times of distress in the market. The portfolio is performing above benchmark for the last 3 months and for the year. One year is slightly below by 18 basis points. The portfolio has held steadfast given the volatility the market has been experiencing. The portfolio has had 1.7% growth this year, net of fees.
- 5) Dan Buffington's retirement was accepted after having attained 20 years of service and the age of 50.

Please let me know if you have any questions or would like a copy of the minutes in their entirety.