CITY OF AUBURN
FIRE RELIEF AND PENSION BOARD
JUNE 28, 2016 10:00 AM

MINUTES

I. CALL TO ORDER

Finance Director Shelley Coleman called the meeting to order at 10:00 a.m. in the Legal Conference Room located at Auburn City Hall. Fire Relief and Pension Board Members present included Finance Director Coleman, Fire Relief and Pension retiree Bill Petersen, and Fire Relief and Pension retiree Bob Wigley. Also present was City Clerk Danielle Daskam.

II. APPROVAL OF MINUTES

A. Minutes of the June 30, 2015 Fire Relief and Pension Board meeting.

Motion by Member Petersen, second by Member Wigley to approve the June 30, 2015 minutes.

MOTION CARRIED UNANIMOUSLY. 3-0

III. UNFINISHED BUSINESS

There was no unfinished business.

IV. NEW BUSINESS

A. Actuarial Valuation

Finance Director Coleman advised that no new actuarial valuation has been conducted since the last meeting. Milliman Consultants and Actuaries prepares an actuarial valuation every two years. The next valuation is scheduled for January 2017. Director Coleman advised that the pension fund is fully funded and no actuarial deficiency is noted. Total assets are $3,350,000.

B. Annual Affidavits Verifying Benefit Eligibility

In April 2016, all retirees and beneficiaries were sent affidavits requesting updated personal information. Currently eleven of the twelve affidavits have been returned.

C. Fire Relief and Pension Cost of Living Benefit Adjustments

The City adjusts the pension payments based on the salary schedules in the current Fire Fighter's contract. On January 1, 2014, per the contract, pension payments increased by 1.2% and on January 1, 2015, pension payment increased by 2.2%.

On April 1st of each year, the State applies a cost of living adjustment to their portion of the pension payments to retirees. This results in a reduction in the pension payments made by the City. To calculate the City's portion of the pension payments, the retirees pension benefit (as calculated in accordance with RCW 41.18) is reduced by the monthly retirement allowance they receive from the State. The deficit is paid by the City in accordance with RCW 41.26.

Members also reviewed the pensioner's beneficiaries currently receiving benefits.

Motion by Member Petersen, second by Member Wigley to approve the cost of living increase in annual pension benefits to pensioners and beneficiaries.

MOTION CARRIED UNANIMOUSLY. 3-0

D. Approval of Claims
Board Members briefly reviewed fund expenses. Expenses in the amount of $177,672 were paid from the Fire Relief and Pension Fund, an increase of $17,151, attributed to increases in the retiree pension benefit payments and administrative services.

Expenses in the amount of $158,425 were paid from the General Fund for LEOFF 1 Fire Fighters' medical expenses. The total 2015 expenses paid from the Fire Relief and Pension Fund and the General Fund are $336,097, a 12.4 percent increase. The increase is due to increased medical reimbursement requests submitted by retirees in 2015 and an increase in medical insurance premiums.

Motion by Member Petersen, second by Member Wigley to approve the 2015 expenses of the Fire Relief and Pension Fund.

MOTION CARRIED UNANIMOUSLY. 3-0

E. Investment Authorization
Fund assets for 2015 were in the amount of $2,519,564 and are invested in the Washington State Investment Pool, treasury notes, and bonds. The average investment return in 2015 was approximately 0.18 percent, up 0.07 percent from the previous year.

Motion by Member Petersen, second by Member Wigley to authorize the Finance Director of the City to make such investments as may be appropriate from the Fire Relief and Pension Fund.

V. ADJOURNMENT

There being no further business to come before the Fire Relief and Pension Board, the meeting adjourned at 10:15 a.m.

APPROVED THIS 27th DAY OF June, 2017

Nancy Backus
NANCY BACKUS, MAYOR

Danielle Daskam
Danielle Daskam, City Clerk

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