



Annual Update

*to the*

Police Officers' and Firefighters'

Pension Reform Commission

August 19, 2014

**FPPA**

Fire & Police

Pension Association

of

Colorado

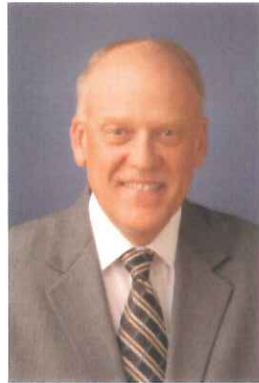


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*Board of Directors*



Left Column

**Sue Eaton**, Board Chair  
Human Resources Director,  
City of Englewood  
Member since 2009  
Current term expires 9.1.14 \*

**Todd Bower**, Board Vice Chair  
Deputy Chief, Denver Fire Department  
Member since 2001  
Current term expires 9.1.15

Center Column

**Jack Blumenthal**  
Principal, Causey Demgen & Moore P.C.  
Member since 2009  
Current term expires 9.1.14 \*

**David Bomberger, CFA**  
Chief Investment Officer,  
Pinnacol Assurance  
Member since 2013  
Current term expires 9.1.14 \*

**Manuel Esquibel**  
City Manager, City of Brighton  
Member since 2013  
Current term expires 9.1.15

**Pamela M. Feely**  
President,  
West Metro Fire Rescue District IV  
Board of Directors  
Member since 2011  
Current term expires 9.1.15

Right Column

**Nick Nuanes**  
Retired Firefighter,  
Denver Fire Department  
Member since 2013  
Current term expires 9.1.19

**Clifford Stanton**  
Former Chief Research Officer,  
Investnet, Inc. / Former Chief Invest-  
ment Officer, Prima Capital Holding  
Member since 2009  
Current term expires 9.1.16

**Tyson Worrell**  
Detective, Denver Police Department  
Member since 2012  
Current term expires 9.1.16

\* These members continue to serve until further notice from the Governor.

## **Executive Summary**

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### *Membership - as of 12/31/2013*

- Over 99% of old hire plan membership is in retired status.
- 0.1% decrease in the member of new hire and local plans affiliated with, or administered by, FPPA.
- 2.8% increase in total number of retirees.

### *Investment Returns*

- The Fire & Police Members' Benefit Investment Fund had a net return of 4.82% YTD through June 30, 2014.
- The Fire & Police Members' Benefit Investment Fund had a net return of 15.45% in 2013.

### *Funded Status*

- Statewide Death & Disability Plan funded ratio increased from 112.2% as of January 1, 2013 to 114.2% as of January 1, 2014.
- Statewide Defined Benefit Plan funded ratio increased from 97.9% as of January 1, 2013 to 100.9% as of January 1, 2014.

## **Overview of Fire & Police Pension Plans and their Funding**

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Up until 1978, all fire and police pension plans in Colorado were local in nature. Each municipality or fire protection district with paid police officers and/or firefighters administered its own local pension plan for these members. The benefit structure for these plans was set forth in state statute, but the administration and funding was left largely to local governments.

Although the Colorado General Assembly provided some assistance to these local plans, and, in some cases, prescribed or permitted member and employer contributions, there was no statutory requirement that these local plans be funded on an actuarially sound basis. It became apparent in the mid-1970's that many of these local plans were significantly underfunded. A 1977 study by the Colorado General Assembly found that in total, these local plans had in excess of \$500 million in unfunded liabilities. As a result of this study, the General Assembly enacted a series of reform bills in 1978 and 1979.

First, the reform legislation limited membership in the existing local plans to those police officers and firefighters hired prior to April 8, 1978. (Thus, these plans have become labeled "**old hire**" pension plans.) The state contributed funding to these "state-assisted" Old Hire plans through 2013, when the state made a final payment to those plans still eligible for funding.

With respect to police officers and firefighters hired on or after April 8, 1978, the reform legislation established a **Statewide Defined Benefit Plan ("new hire" pension plan)** to be administered by the newly created Fire and Police Pension Association. The Statewide Defined Benefit Plan is funded exclusively through member and employer contributions. Since inception, it has been funded on an actuarially sound basis, with no state assistance.

In addition to this basic split between old hire plans and the Statewide Defined Benefit Plan, the legislature permitted certain local options for a limited time. Thus employers were granted the authority to create "**exempt**" plans. Employers also had authority to withdraw from the Statewide Defined Benefit Plan to establish local pension plans for their new hires ("**withdrawn**" plans). All the plans that withdrew from the Statewide Defined Benefit Plan established money purchase plans. Exempt plans and withdrawn plans receive no state assistance.

Later, the legislature authorized FPPA to create a **Statewide Money Purchase Plan**. Under certain conditions, an employer may withdraw its members from the Statewide Defined Benefit Plan in order to cover them under the Statewide Money Purchase Plan. In addition, an employer having a withdrawn local money purchase plan may also elect to dissolve that plan and cover its members under the Statewide Money Purchase Plan. The Statewide Money Purchase Plan receives no state assistance.

Since 2004, police and fire departments have been able to elect coverage under the **Statewide Hybrid Plan**. The Statewide Hybrid Plan has a defined benefit component and a money purchase (defined contribution) component. The Statewide Hybrid Plan is also funded exclusively through member and employer contributions. Since inception, it has also been funded on an actuarially sound basis, with no unfunded liabilities and no state assistance.

## Overview of Fire & Police Pension Plans and their Funding

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*continued*

FPPA also administers the **Colorado Springs New Hire Pension Plans - Fire Component and Police Component**, which cover police officers and firefighters who were hired on or after April 8, 1978, and before October 1, 2006. These plans are funded by member and employer contributions and receive no state assistance. Full time Colorado Springs police officers and firefighters hired on or after October 1, 2006, participate in the Statewide Defined Benefit Plan.

Finally, there are some local governments which cover their police officers under Social Security, but affiliate with FPPA to provide a supplemental benefit under the **Social Security Supplemental Retirement Plan**. This plan is a component of the Statewide Defined Benefit Plan, and is designed to give half the benefit of the Statewide Defined Benefit Plan for half the cost. This plan receives no state assistance.

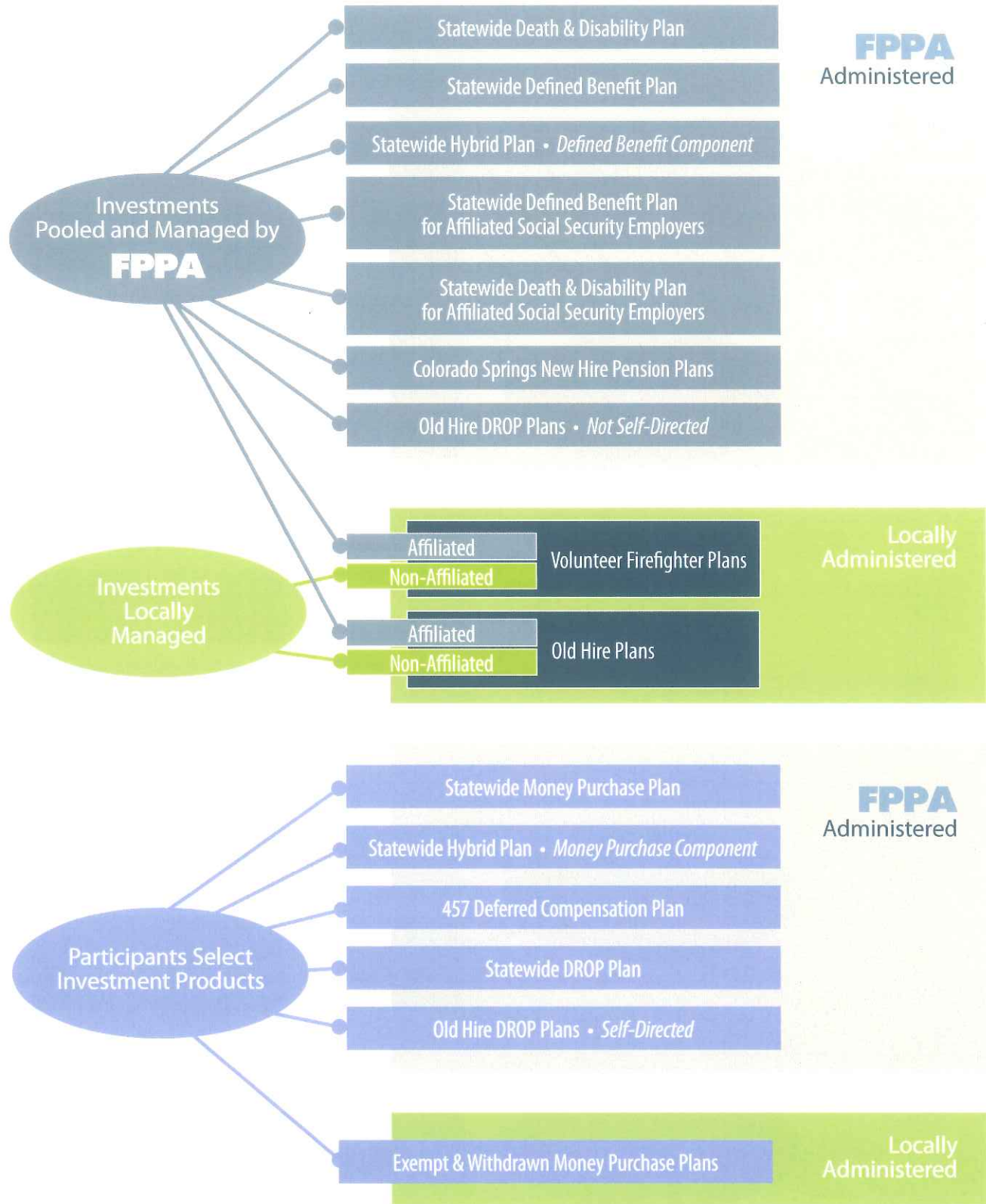
Nearly all employers now cover their paid police officers and firefighters under the **Statewide Death and Disability Plan**, with the exception of a few social security employers and a few exempt employers. Up until 1996, the Statewide Death and Disability Plan had been funded entirely through an annual state contribution. In 1996, however, the General Assembly provided a final state contribution designed to be sufficient to fund the benefits of members hired prior to January 1, 1997, in perpetuity. This legislation further required that benefits for members hired after January 1, 1997, be funded entirely through employer and/or member contributions. Thus, the state no longer provides assistance to the Statewide Death and Disability Plan.

FPPA, pursuant to state statute, has also created a Model 457 **Deferred Compensation Plan**. Nearly any employer throughout the state may adopt this plan for its police officer/firefighter members. The plan is funded entirely through voluntary contributions from those members who wish to participate.

The above-described pension plans are for paid firefighters and police officers. There is also a system for **volunteer firefighter pension plans**. Cities and districts with volunteer firefighters may establish volunteer pension plans pursuant to the provisions of state statutes. Volunteer plans receive funding from property tax revenues, moneys paid or given to the funds, and state matching funds. State matching funds come from insurance premium tax proceeds, and are paid according to Section 31-30-1112, C.R.S., as amended. The state matching funds are distributed directly to FPPA in trust for the plans for which FPPA administers the assets.

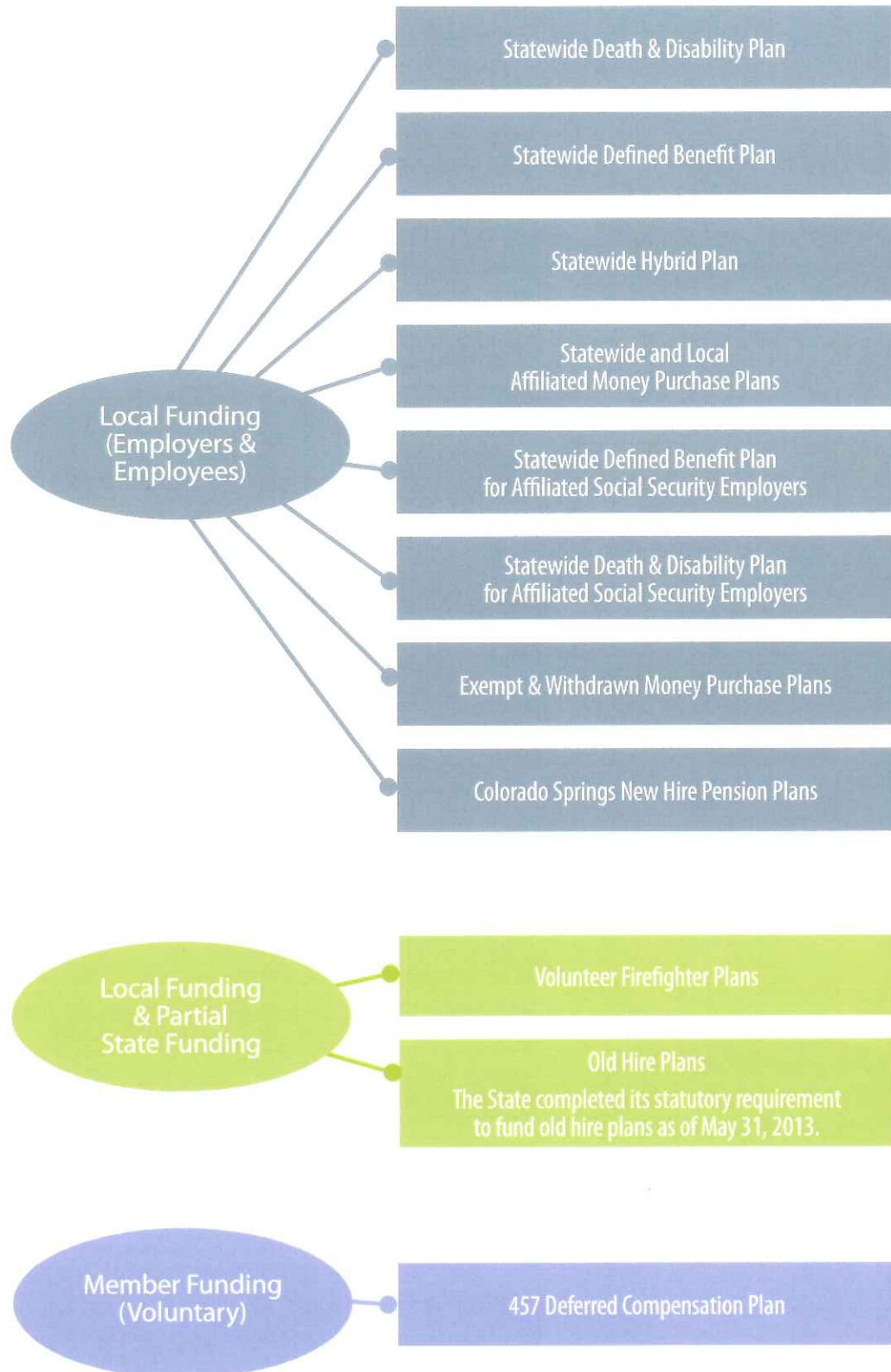
FPPA directly administers the Statewide Defined Benefit Plan, Colorado Springs New Hire Pension Plans, Statewide Hybrid Plans, Statewide Death and Disability Plan, Statewide Money Purchase Plan and Model 457 Deferred Compensation Plan. In addition, old hire pension plans and volunteer plans may affiliate with FPPA for investment purposes. These affiliations are at the option of the local employer. Upon affiliation, contributions are made to FPPA, which invests the assets and pays benefits to eligible members, pursuant to the direction of the local pension board. As of December 31, 2013, there were 225 employer departments participating in the Defined Benefit System - Statewide Defined Benefit Plan, 35 employer departments participating in the Defined Benefit System - Statewide Hybrid Plan, 2 employer departments participating in the Defined Benefit System - Colorado Springs New Hire Pension Plans, 40 employer departments with employees participating in the Fire & Police Members' Statewide Money Purchase Plan, 403 employer departments covered by the Statewide Death & Disability Plan, 50 affiliated Local "Old Hire" plans, and 174 affiliated Local Volunteer Fire pension plans.

**Pension Plans**



## Funding Method

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**Plan Coverage** *as of December 31, 2013*

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**Covered by**  
**The Statewide Death & Disability Plan**  
*1 Plan - 403 Employers*

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**Affiliated Local Plan (Old Hire) Members**  
*50 Plans*

**Statewide Defined Benefit Plan**  
**(New Hire) Members**  
*1 Plan - 225 Employers*

**Statewide Hybrid Plan Members**  
*35 Employers*

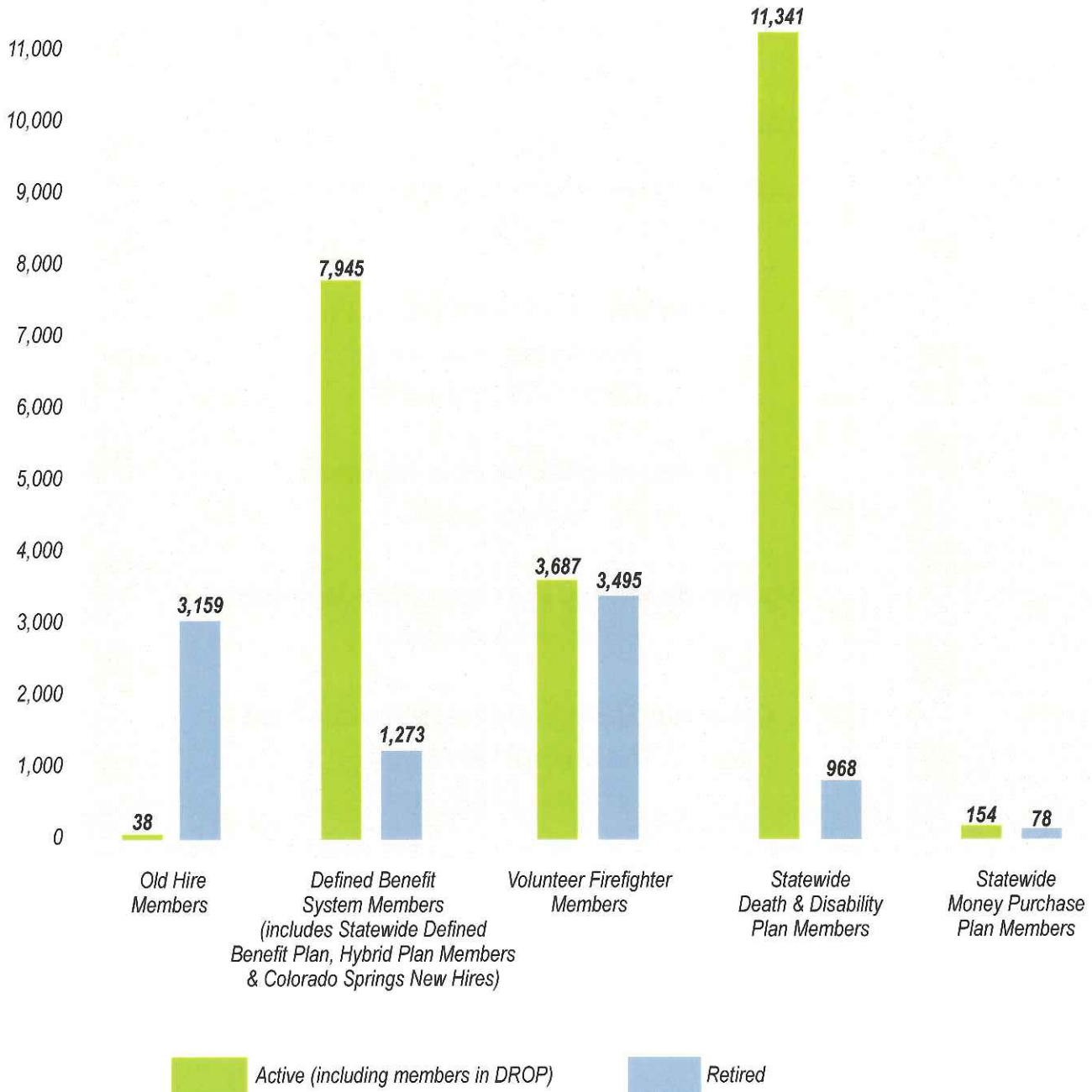
**Statewide Money Purchase Plan Members**  
*1 Plan - 40 Employers*

**Colorado Springs Defined Benefit Plan**  
**(New Hire) Members**  
*2 Plans - 1 Employer*

**Affiliated Local Volunteer Fire Pension Plans**  
*174 Plans*

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**Members By Plan & Status** *as of December 31, 2013*



## Results of January 1, 2014 Actuarial Study

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### *Statewide Hybrid Plan – Defined Benefit Component Contribution Rate*

- Benefit Adjustment  
*3.00%, effective 10/1/2014 - 9/30/2015*
- Defined Benefit Component contribution rate  
*decreased to 12.5%, effective 7/1/2014 - 6/30/2015 (decreased from 12.6%).*

*This means that a contribution of 3.5% (or more, if contribution exceeds 16%) will be directed into the Money Purchase Component. (This only applies to those members who selected the Hybrid Plan – Defined Benefit and Money Purchase Components.)*

### *Statewide Defined Benefit (SWDB) Plan Contribution Rate*

- Benefit Adjustment  
*0.61%, effective 10/1/2014 - 9/30/2015*
- Separate Retirement Account (SRA)  
There are now two components for the SRA Account:
  - The first component applies to every member in the SWDB Plan - for the general benefit cost calculated annually by the actuary.  
*0% contribution rate – 7/1/2014 - 6/30/2015*
  - The second component is for the money purchase plan members who re-entered the FPPA System, referred to as the “Re-entry group”. This group contributes 20% to the SWDB Plan.  
*3.6% contribution rate - 7/1/2014 - 6/30/2015, in addition to the 0% above, for a total of 3.6%.*

*Although the contribution rate remains at 20%, 3.6% of the contribution is allocated to the SRA.*

### *Statewide Death & Disability Plan*

- Benefit Adjustment
  - Occupational disability retirees and their beneficiaries and Survivors of Active Duty Members  
*0.86%, effective 10/1/2014 - 9/30/2015*
  - Totally disabled members and their beneficiaries  
*by state statute, receive a 3% Benefit Adjustment each year.*

## **Plan Design Advantages of the FPPA Plans**

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Like most pension systems which rely on returns from the investment of plan assets to fund benefits, FPPA was adversely affected by the significant decline in equity markets in 2008. The FPPA system, however, has certain safeguards in place which have helped it to weather this storm and should ensure the security of members' retirement benefits in the future. These safeguards are discussed below.

Initially, it is important to distinguish between "old hire," local fire and police pension plans, and the Statewide Defined Benefit Plan. The local old hire plans pre-date the creation of FPPA in 1980. In fact, the Colorado Legislature established FPPA in large part because of problems in the funding of these local old hire plans. Specifically, by the late 1970s, old hire plans had in excess of \$500 million in unfunded liabilities. Moreover this amount was expected to grow exponentially over the coming years. Reform legislation was enacted in 1978 which closed participation in these old hire plans, required substantially increased contributions from local employers to the plans, required increased member contributions to the plan, reduced the death and disability benefits for members and provided annual state assistance to old hire plans having unfunded liabilities. The reform legislation also established the Statewide Defined Benefit Plan for firefighters and police officers hired after April 1978.

FPPA was given the responsibility for managing the funds of old hire plans receiving state assistance. Initially in 1980, 112 plans received state money to assist with unfunded liabilities. The State completed its statutory requirement to fund old hire plans as of May 31, 2013. Remaining funding requirements for the Old Hire Plans are the responsibility of the employer. The vast majority of participants in old hire plans have now retired or are scheduled to do so within the next few years.

FPPA is also responsible for administering the Statewide Defined Benefit Plan, which is now the largest fire and police pension plan in Colorado in terms of the number of active participants. Its design and administration include a number of features intended as a buffer against adverse actuarial experience. Among these are the following:

### *Benefit Adjustments*

The Statewide Defined Benefit Plan's base benefit does not include a guaranteed benefit adjustment or cost of living increase. Rather, the FPPA Board of Directors may grant an annual benefit adjustment on an ad hoc basis if sufficient funds exist. The benefit adjustment may not exceed the greater of CPI or 3% per year.

### *Retirement Age*

The Statewide Defined Benefit Plan permits an unreduced, normal pension starting at age 55 with 25 years of service. Early retirements for members who are age 50 or have 30 years of service are permitted, but benefits are reduced on an actuarial basis, at the rate of 0.5% per month for each month that the benefit is drawn before age 55. Moreover, the statutes governing the Plan give the Board of Directors the discretion to raise the retirement age up to age 60, if actuarially necessary.

### *Stabilization Reserve Account*

When employer and member contributions are in excess of what the FPPA Statewide Defined Benefit Plan needs for the coming year, the excess may be redirected into a Stabilization Reserve Account, which is split into Separate Retirement Accounts for each member. These are cash accounts that are available to the members only upon retirement and remain as part of the Statewide Defined Benefit Plan assets until then. The accounts are credited each year with the investment fund earnings (or losses) made by FPPA through investment of assets in the Members' Benefit Fund. If in any year contributions in excess of the current 16% contribution rate (8% member and 8% employer) are needed to fund base benefits, the excess contributions must be taken out of the SRA accounts of active members before contribution

## **Plan Design Advantages of the FPPA Plans** *continued*

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rates may be increased. This has never happened yet, but is an important safeguard of the plan.

### *Benefit Changes*

FPPA's Statewide Defined Benefit Plan specifically states that, in case of actuarial necessity, the benefit improvements that have been made over the years may be eliminated one by one. This would include taking funds from the Stabilization Reserve Account, reducing the benefit formulas and raising the retirement age from 55 to 60. Because of the flexibility of the benefit adjustment and the "cushion" of the SRA accounts, however, the Board is optimistic that current benefit provisions will not have to be reduced.

### *Purchase of Service Credit*

FPPA has always charged full actuarial cost for the purchase of service credit.

### *Employer and Employee Contribution Rates*

Both employee and employer contribution rates for the Statewide Defined Benefit Plan are set at 8% of pay. These rates have not changed since inception of the Plan in 1980. Further, the statute governing the Plan requires that employee and employer contribution rates remain equal.

### *Fund Governance and Freedom from Conflicts of Interest*

FPPA's Board of Directors is comprised of nine (9) members, all appointed by the Governor and confirmed by the Senate. There are three member representatives, three employer representatives and three private citizens, each with a different area of expertise. FPPA staff members are not participants in the Statewide Defined Benefit Plan.

### *Funded Status of the Plan*

There is always a degree of uncertainty in defined benefit plans regarding the ability to meet actuarial assumptions, particularly the rate of return assumption. We believe, however, that given the design of the Statewide Defined Benefit Plan, the revised and reasonable assumption of a 7.5% investment return, and a well-diversified investment program designed around future liabilities, the FPPA program is positioned well to ensure the payment of promised retirement benefits to members.

The actuarial projections are that the Statewide Defined Benefit Plan will be able to pay only a modest cost of living adjustment of approximately 0.6% in the short term and 1.1% in the long term. In 2010, the legislature granted the FPPA Board of Directors authority to authorize an election on an increase in member contribution rates. Employer contribution rates cannot be increased through this process.

The FPPA Board created a task force of the membership to study whether an election should be held to increase member contribution rates, and in what amounts. The task force began meeting in 2011 and continues to meet. The task force initially recommended that the Board authorize an election on increasing member contributions at the rate of 1/2% of pay per year for 8 years, for a total member contribution increase of 4% of pay. The task force subsequently recommended a contingent member election on increasing member contributions at the rate of 1/2% of pay per year for 4 years, for a total member contribution increase of 2% of pay. The Board authorized the election to proceed in 2014.

**Plan Design Advantages of the FPPA Plans** *continued*

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68% of the voting members of the plan approved the primary proposal of a 4% increase. This met the supermajority requirement of 65% approval. The matter also requires approval by a majority of voting employers. The employer vote is taking place and will end on August 22, 2014.

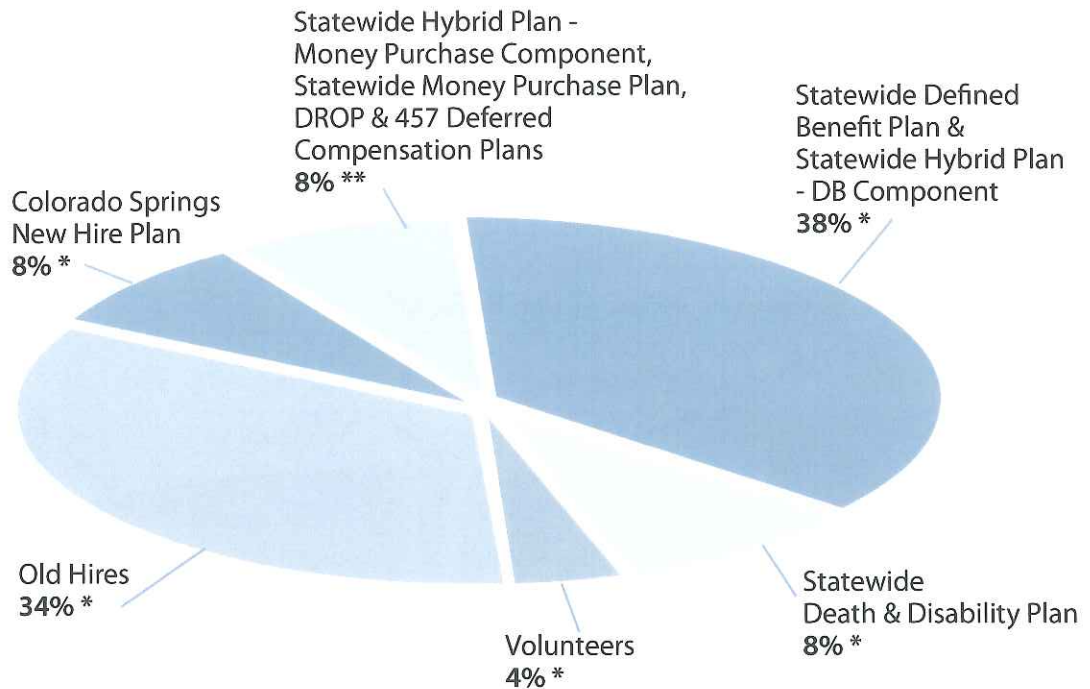
Actuarial projections indicate that, over the long term, this increased contribution rate should allow the plan to pay a cost of living increase of 2% or more, as well as increasing the strength of the plan in adverse economic situations.

**Investment Program**

*Net Assets Available for Benefits as of December 31, 2013.*

Fire & Police Members' Benefit Investment Fund*	\$ 4,009,487,350
Fire & Police Members' Self-Directed Investment Fund**	368,533,445
<b>TOTAL</b>	<b>\$ 4,378,020,445</b>

*Assets by Plan Type as of December 31, 2013*

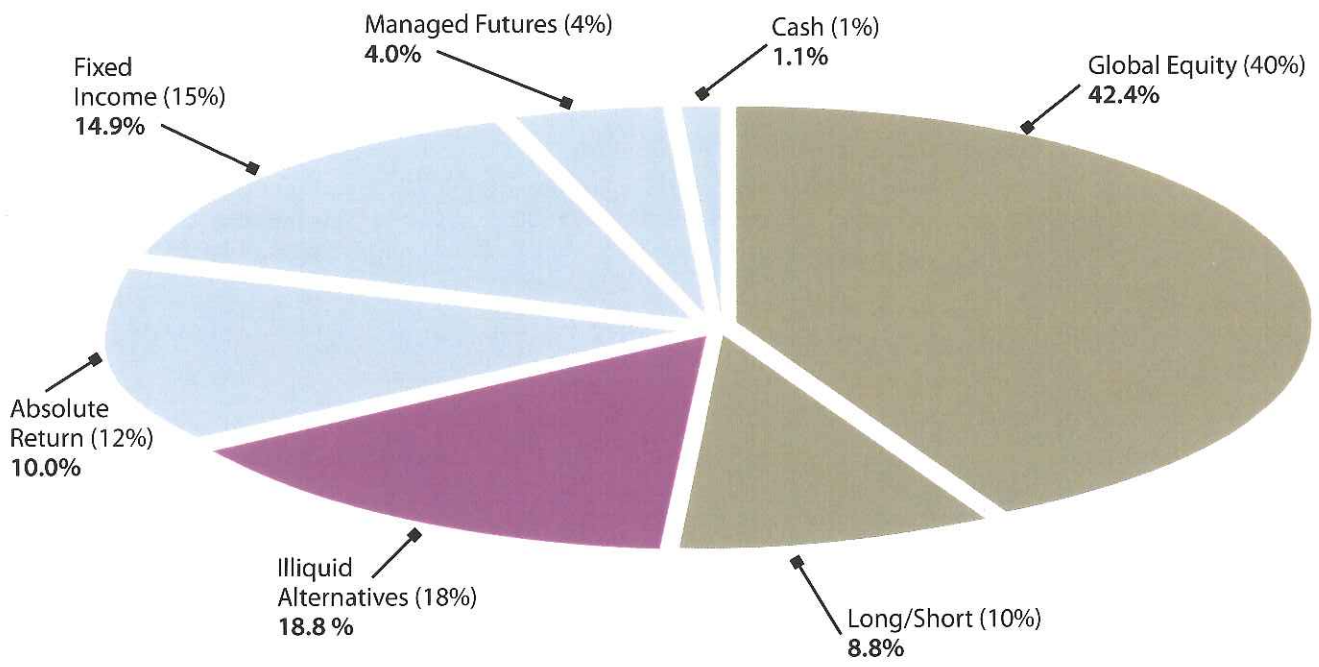


**Fire & Police Members' Benefit Investment Fund**

*Asset Allocation as of June 30, 2014.*

Asset Class	Current % Targets	Target Ranges	Current % Actual	% Difference	\$ (000's) Actual	\$ (000's) Difference
Global Equity	40.0%	+/- 5%	42.4%	2.4%	\$1,761,000	\$99,679
Long/Short	10.0%	+/- 5%	8.8%	-1.2%	\$365,491	(\$49,840)
Fixed Income	15.0%	+/- 5%	14.9%	-0.1%	\$618,842	(\$4,153)
Absolute Return	12.0%	+/- 5%	10.0%	-2.0%	\$415,330	(\$83,066)
Managed Futures	4.0%	+/- 3%	4.0%	0.0%	\$166,132	\$0
Cash	1.0%	0-5%	1.1%	0.1%	\$45,686	\$4,153
Illiquid Alternatives	18.0%	+/- 5%	18.8%	0.8%	\$780,821	\$33,226
<b>TOTAL FUND</b>	<b>100%</b>		<b>100%</b>		<b>\$4,153,301</b>	

*Asset Allocation - Actual (Interim Target)*

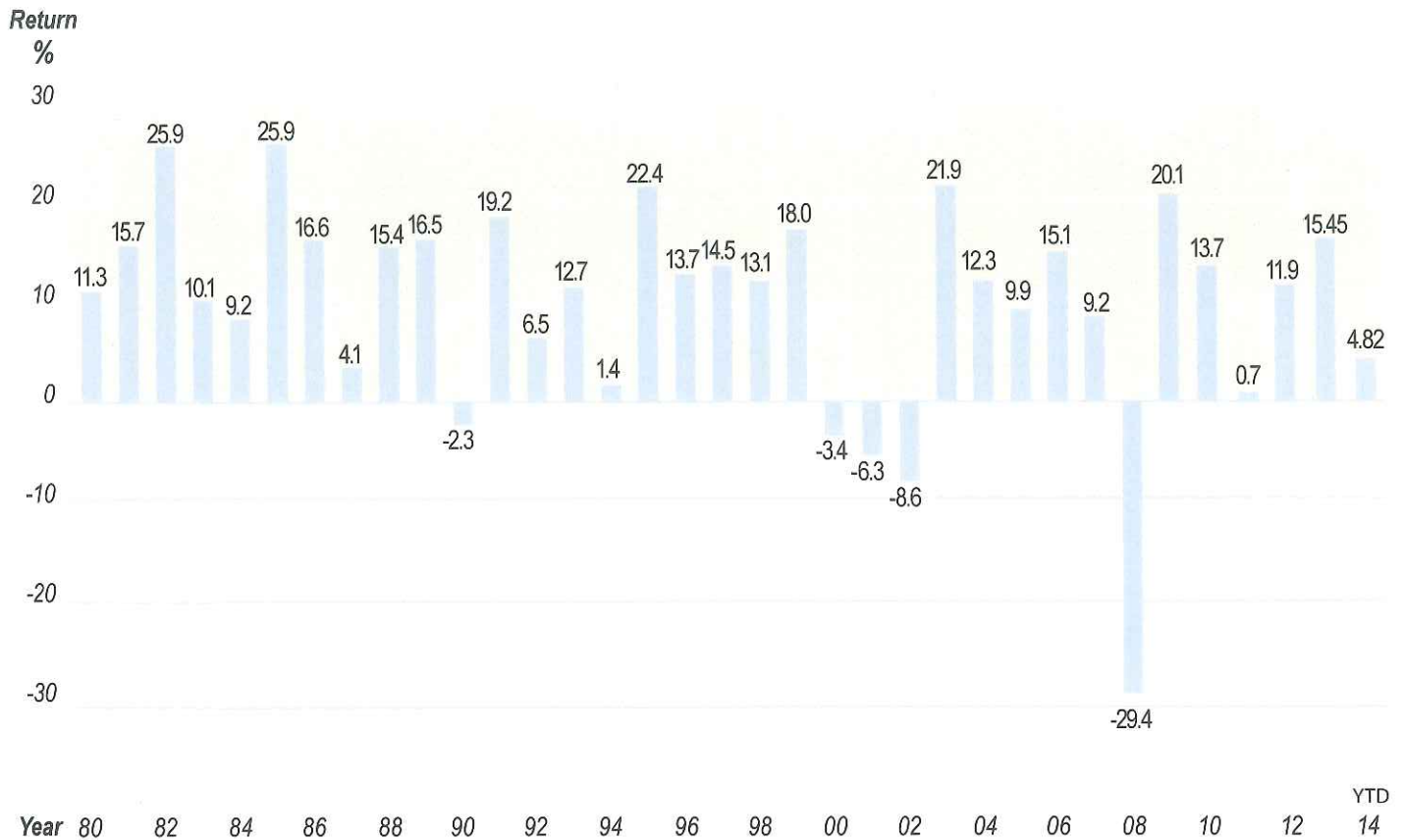


- Asset Allocation is the biggest driver of performance.
- FPPA does not manage assets internally. Each asset class is comprised of a diverse allocation to several outside investment managers.



## Fire & Police Members' Benefit Investment Fund

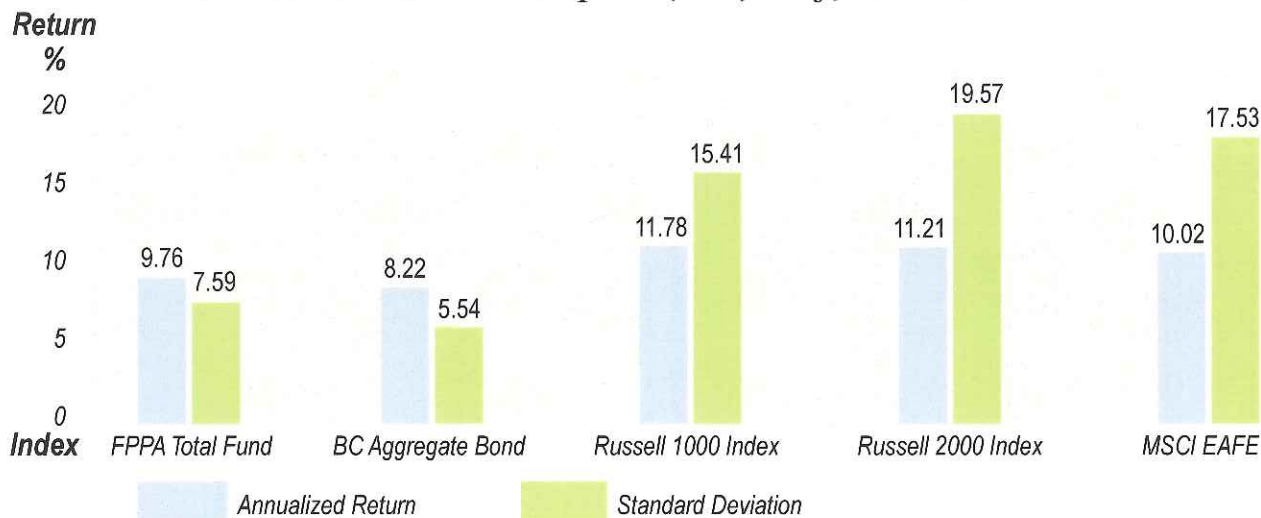
*Net Absolute Performance Annual Returns  
Since Inception as of June 30, 2014.*



- Similar in magnitude to other institutional investors, FPPA experienced significant negative performance in 2008.
- The investment portfolio has maintained its structure to achieve long-term performance results.

## Fire & Police Members' Benefit Investment Fund

*Net Fund Performance Relative to Market Indices  
Risk/Return Since FPPA Inception (1980) as of June 2014.*



• Standard deviation is a measure of risk.

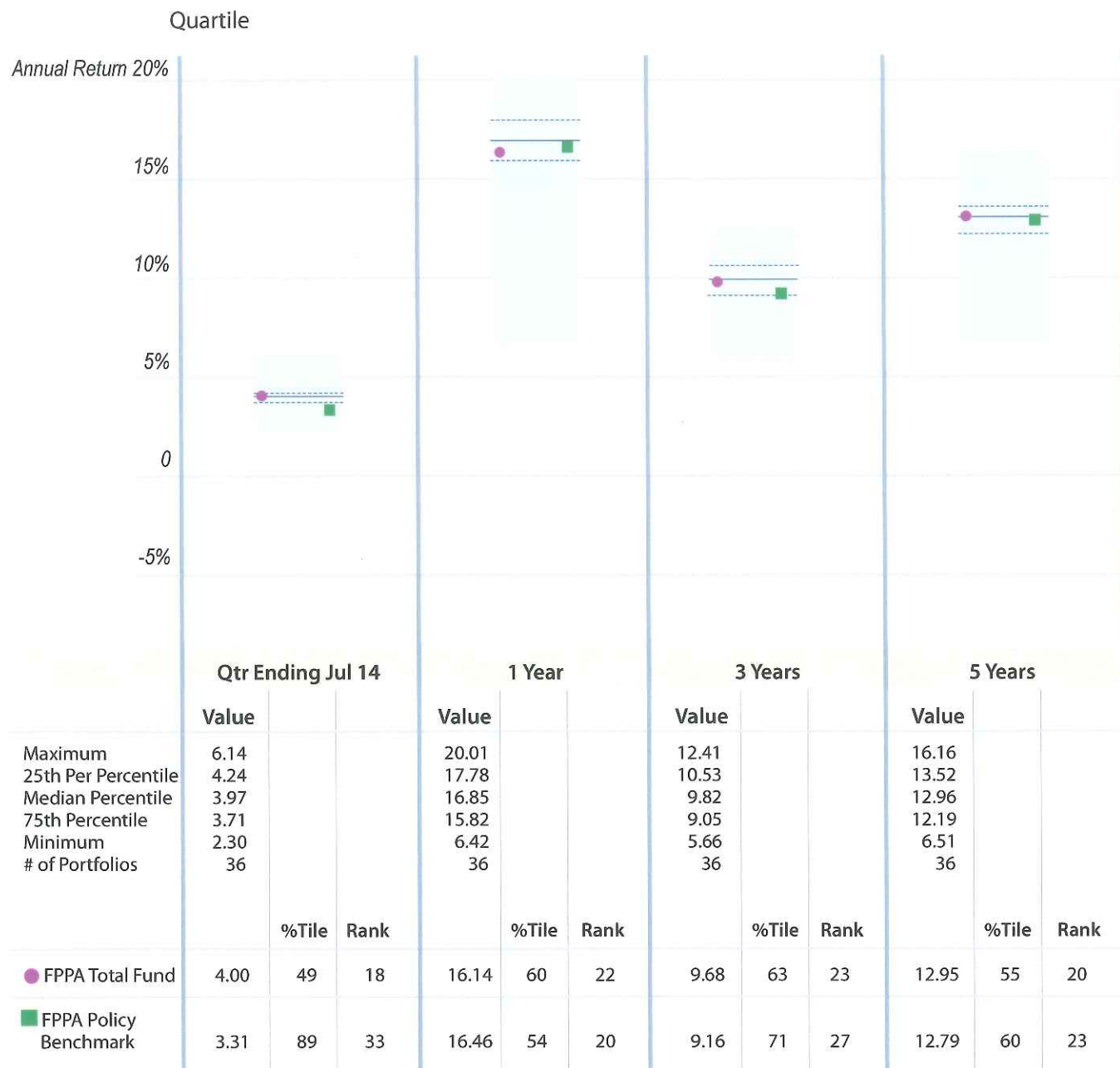
### Net Performance Relative to Benchmarks as of June 30, 2014.

Account Name	Total YTD Ending End Date: 6/30/2014	Total 1 YR Ending End Date: 6/30/2014	Total 3 YRS Ending End Date: 6/30/2014	Total 5 YRS Ending End Date: 6/30/2014
<b>Combined Manager</b>	<b>4.82</b>	<b>15.28</b>	<b>9.12</b>	<b>12.38</b>
<b>FPC Custom Benchmark</b>	<b>6.02</b>	<b>16.46</b>	<b>9.16</b>	<b>12.79</b>
Total Equity	5.48	20.46	10.29	14.45
Total Equity Benchmark	6.54	23.97	10.95	14.97
Total Fixed Income	2.98	3.56	3.98	6.88
Fixed Income Benchmark	3.93	4.37	3.66	5.23
Managed Futures	3.88	N/A	N/A	N/A
Barclay Hedge BTOP 50 Index	0.44	N/A	N/A	N/A
Total Absolute Return	0.29	4.92	2.37	N/A
Absolute Return Benchmark	2.00	4.04	4.05	N/A
Illiquid Alternatives	6.81	19.28	14.43	14.70
Total Private Equity	7.91	24.11	16.25	18.53
Total Private Debt	3.60	15.93	12.68	N/A
Total Real Estate	6.66	16.75	14.60	7.97
Total Real Assets	8.36	14.91	10.29	N/A
Cambridge Associates US Private Equity Index 1Q in Arrears <sup>A</sup>	9.95	18.90	14.36	17.35
NCREIF NFI-ODCE Net Index (Monthly Version)	2.29	8.82	10.40	8.39

- Similar to other institutional investors, FPPA's absolute total fund performance is significantly influenced by the allocation and performance of its public equity exposure.
- A healthy exposure to fixed income muted the decline in total fund performance during 2008.
- Allocations to alternative investments and real estate have been a driver of positive long-term performance.

## Fire & Police Members' Benefit Investment Fund

Total Funds Billion Dollar - Public (USD) - Monthly as of June 30, 2014.



- FPPA performance relative to peer pension funds (Percentile Rankings: lower numbers are better).

Universe Source: The Bank of New York Mellon Corporation; Universe Status

## **Investment Portfolio Changes**

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- Internal oversight of alternatives strategies continues
- Asset liability analyses being conducted on an annual basis
- Restructuring of the fixed income portfolio is near completion
- Continued focus on implementing the real estate and real assets portfolios

**Schedule of Funding Progress (Unaudited) as of December 31, 2013**

Year	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
<b>Defined Benefit System - Statewide Defined Benefit Plan</b>					
2014	1/1/2014	\$1,546,834,469	\$1,533,631,141	\$(13,203,328)	100.9%
2013	1/1/2013	1,374,576,631	1,404,607,765	30,031,134	97.9
2012	1/1/2012	1,225,537,747	1,271,490,169	45,952,422	96.4
2011	1/1/2011	1,080,284,447	1,049,622,033	(30,662,414)	102.9
2010	1/1/2010	963,500,681	963,300,852	(199,829)	100.0
2009	1/1/2009	856,090,014	847,821,122	(8,268,898)	101.0
2008	1/1/2008	950,114,346	795,499,983	(154,614,363)	119.4
2007	1/1/2007	801,426,848	654,097,657	(147,329,191)	122.5
2006	1/1/2006	681,193,087	569,819,934	(111,373,153)	119.5
2005	1/1/2005	557,949,693	495,915,617	(62,034,076)	112.5

**Defined Benefit System - Statewide Hybrid Plan** (The first actuarial valuation completed on the Defined Benefit System- Statewide Hybrid Plan was in 2005.)

2014	1/1/2014	\$34,376,002	\$26,123,656	\$(8,352,346)	132.0%
2013	1/1/2013	29,758,000	23,313,204	(6,444,796)	127.6
2012	1/1/2012	23,666,933	18,832,849	(4,834,084)	125.7
2011	1/1/2011	18,107,030	13,658,025	(4,449,005)	132.6
2010	1/1/2010	15,373,546	12,107,329	(3,266,217)	127.0
2009	1/1/2009	13,642,709	10,648,712	(2,993,997)	128.1
2008	1/1/2008	14,075,984	9,774,906	(4,301,078)	144.0
2007	1/1/2007	9,624,239	6,299,422	(3,324,817)	152.8
2006	1/1/2006	7,998,356	5,366,912	(2,631,444)	149.0
2005	1/1/2005	5,040,067	4,035,894	(1,004,173)	124.9

**Defined Benefit System - Colorado Springs New Hire Pension Plan - Police Component** (The first actuarial valuation completed on the Defined Benefit System- Colorado Springs New Hire Pension Plan - Police Component was in 2007 as the program began 10/1/2006. This plan is closed to new participants.)

2014	1/1/2014	\$233,009,247	\$281,166,840	\$48,157,593	82.9%
2013	1/1/2013	212,428,394	258,960,907	46,532,513	82.0
2012	1/1/2012	197,710,046	246,518,300	48,808,254	80.2
2011	1/1/2011	187,249,190	226,088,133	38,838,943	82.8
2010	1/1/2010	170,960,335	213,764,095	42,803,760	80.0
2009	1/1/2009	156,099,012	198,695,916	42,596,904	78.6
2008	1/1/2008	178,548,095	188,263,204	9,715,109	94.8
2007	1/1/2007	159,508,243	161,530,980	2,022,737	98.7
2006	1/1/2006	N/A	N/A	N/A	N/A

**Defined Benefit System - Colorado Springs New Hire Pension Plan - Fire Component** (The first actuarial valuation completed on the Defined Benefit System- Colorado Springs New Hire Pension Plan - Fire Component was in 2007 as the program began 10/1/2006. This plan is closed to new participants.)

2014	1/1/2014	\$111,882,235	\$138,255,953	\$26,373,718	80.9%
2013	1/1/2013	103,516,709	129,466,329	25,949,620	80.0
2012	1/1/2012	98,326,872	124,211,363	25,884,491	79.2
2011	1/1/2011	108,848,941	127,909,057	19,060,116	85.1
2010	1/1/2010	100,709,022	121,361,624	20,652,602	83.0
2009	1/1/2009	92,515,096	113,068,434	20,553,338	81.8
2008	1/1/2008	104,946,386	107,389,383	2,442,997	97.7
2007	1/1/2007	98,290,761	99,137,903	847,142	99.1
2006	1/1/2006	N/A	N/A	N/A	N/A

**Schedule of Funding Progress (Unaudited) as of December 31, 2013**

*continued*

Year	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Affiliated Local Plans - See the 1/1/2013 and 1/1/2014 details by Plan in Appendix D at the end of this document.					
2014	1/1/2013 and 1/1/2014	\$1,619,113,754	\$1,962,051,827	\$342,938,073	82.5%
2013	1/1/2012 and 1/1/2013	1,516,274,551	2,044,975,483	528,700,932	74.1
2012	1/1/2011 and 1/1/2012	1,501,490,065	2,027,014,020	525,523,955	74.1
2011	1/1/2010 and 1/1/2011	1,626,454,118	2,038,237,183	411,783,065	79.8
2010	1/1/2009 and 1/1/2010	1,618,455,903	2,036,107,581	417,651,678	79.5
2009	1/1/2008 and 1/1/2009	1,855,493,729	2,081,304,156	225,810,427	89.2
2008	1/1/2007 and 1/1/2008	1,859,987,228	2,064,576,138	204,588,910	90.1
2006	1/1/2005 and 1/1/2006	1,818,993,571	2,246,572,810	427,579,239	81.0
2004	1/1/2003 and 1/1/2004	1,642,270,820	2,160,729,353	518,458,533	76.0
2002	1/1/2001 and 1/1/2002	1,902,729,069	2,086,914,286	184,185,217	91.2

<sup>1</sup> The State completed its statutory requirement to fund old hire plans as of May 31, 2013.

<sup>2</sup> Actuarial studies are completed every other year for the Affiliated Local Plans. The affiliated volunteer fire pension plans' actuarial studies are completed on the odd years and the old hire actuarial pension plans' actuarial studies are completed on the even years. Each employer participating in the system is financially responsible for its own liabilities. Accordingly, the aggregate numbers presented in this chart are indicative only of the overall condition of the system and are not indicative of the status of any one employer. The old hire plans are closed to new participants.

**Statewide Death & Disability Plan - Results Using the Aggregate Funding Method**

*(This plan is valued under the Aggregate Funding Method, where the Actuarial Accrued Liability is set equal to the assets, resulting in no Unfunded Actuarial Accrued Liability and a Funded Ratio of 100%. The Actuarial Accrued Liability reported here is the Present Value of Projected Benefits, less the Present Value of Projected Member Contributions.)*

2014	1/1/2014	\$325,180,768	\$284,820,249	\$(40,360,519)	114.2%
2013	1/1/2013	305,454,945	272,350,253	(33,104,692)	112.2
2012	1/1/2012	290,988,339	255,841,269	(35,147,070)	113.7
2011	1/1/2011	281,577,454	260,688,472	(20,888,983)	108.0
2010	1/1/2010	266,477,875	250,709,436	(15,768,440)	106.3
2009	1/1/2009	257,279,496	241,813,411	(15,466,086)	106.4
2008	1/1/2008	300,642,721	223,999,678	(76,643,043)	134.2
2007	1/1/2007	274,091,581	258,243,478	(15,848,103)	106.1
2006	1/1/2006	249,299,173	258,726,894	9,427,721	96.4
2005	1/1/2005	223,389,097	231,252,507	7,863,410	96.6

Since the Aggregate Funding Method presented in the previous chart does not identify or separately amortize unfunded actuarial liabilities, information about the Statewide Death & Disability Plan's funded status and funding progress has been prepared using the Entry Age Funding Method for this purpose. The information presented below is intended to serve as a surrogate for the funded status and funding progress of the plan. Data is only available since 2008.

**Statewide Death & Disability Plan - Results Using the Entry Age Normal Funding Method**

2014	1/1/2014	\$325,180,768	\$289,577,412	\$(35,603,356)	112.3%
2013	1/1/2013	305,454,945	274,068,253	(31,386,692)	111.5
2012	1/1/2012	290,988,339	253,869,640	(37,118,699)	114.6
2011	1/1/2011	281,577,454	229,959,016	(51,618,439)	122.4
2010	1/1/2010	266,477,875	216,103,895	(50,373,981)	123.3
2009	1/1/2009	257,279,496	203,673,786	(53,605,710)	126.3
2008	1/1/2008	300,642,721	182,814,659	(117,828,062)	164.5

## 2015 Proposed Legislation Summary

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### *Legislation proposed by the FPPA Board to the Firefighter and Police Officer Pension Reform Commission for introduction in 2015:*

#### **Bill 1 Participation in the Statewide Death & Disability Plan**

- Fire Chiefs and Police Chiefs are allowed to opt out of participation the Statewide Defined Benefit Plan in to an alternative pension plan under current law. This bill clarifies that the alternative plan must be a federal insurance act (FICA) replacement plan or social security.
- This bill further provides that chiefs who opt out may participate in the Statewide Death and Disability Plan if the alternative pension plan has a contribution rate of at least 16%.
- Beginning in 2017, this bill requires any department that participates in the Statewide Death and Disability Plan Social Security Supplemental Plan to also participate in the Statewide Defined Benefit Social Security Supplemental Plan. This has been required for new affiliations since 2006, however there are a handful of preexisting employers that are only in the Statewide Death and Disability Social Security Supplemental Plan. This has an adverse impact on the Statewide Death and Disability Plan because there is no pension forfeiture or offset for members granted disability.

#### **Bill 2 Board Authority legislation**

- The FPPA Board currently has authority to assess interest on late payments. The bill centralizes the authority for FPPA to assess interest for late payments and draft consistent rules for the waiver of interest across all plans.
- This bill authorizes the Board to find certain employer costs incurred due to regulatory compliance to be de minimis and paid from plan assets or to be assessed against the employer.

#### **Bill 3 Participation in the Statewide Defined Benefit Plan after a merger or consolidation**

- Members employed by a predecessor department and who begin participation in the Statewide Defined Benefit Plan as a result of a merger or consolidation would pay the continuing rate of contribution assessed for members who have re-entered the Statewide Defined Benefit Plan.

#### **Bill 4 Distinction for service awarded due to plan-to-plan transfers from service credit purchases under the statewide defined benefit plan**

- The current law requires that plan-to-plan transfers be treated as service credit purchases in the Statewide Defined Benefit Plan. The process and requirements can be simplified and still meet IRS requirements.

## **Study of the Volunteer Firefighter Pension System**

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### MEMORANDUM

To: Police Officers' and Firefighters' Pension Reform Commission

From: Fire and Police Pension Association

Re: Volunteer Firefighter Plans

Date: September 4, 2013

There are a number of issues related to the Colorado Volunteer Firefighter Pension system which need to be addressed. FPPA recommends that these issues be studied along with any other issues that are raised in the process. The PRC has statutory authority to review and propose legislation for the volunteer firefighter pension system. C.R.S. Section 31-31-1001(2)(n).

These issues have come to light through research by the FPPA staff, FPPA consultants, and comments and inquiries made by volunteer departments and their legal counsel. Many of the issues have come to light with the new GASB reporting requirements.

First, here is some background on volunteer firefighter plans in Colorado as they relate to FPPA. FPPA believes there are over 225 volunteer firefighter plans in Colorado. Of these plans, 175 plans are affiliated with FPPA. This would mean that that about 20-25% of the volunteer plans in the state are not affiliated with FPPA. Affiliated plans may choose to disaffiliate as the costs of administration rise under new financial reporting requirements. Volunteer firefighter plans account for 75% of the individual plans administered by FPPA and about 4% of the assets held and invested by FPPA. The costs charged to plans by FPPA will increase, especially plans with smaller assets and plans with larger unfunded liabilities. GASB and other regulators have increased the services required to be provided to individual plans for financial reporting.

The issues which need study or further consideration are as follows:

### **Federal and Regulatory Issues**

- Whether the IRS recognizes volunteer firefighter plans created under Section 401(a) of the Internal Revenue Code (IRC). Current state law mandates that the plans be created under Section 401(a). If plan assets are not qualified under Section 401(a), there is an impact on how FPPA can invest these funds.
- Federal law does provide for deferred compensation plans for public safety volunteers under IRC 457(e)(11) (Length of service plans or LOSAP). Currently, FPPA does not have authority to administer such plans.
- Some volunteer plans may provide benefits to volunteers in excess of what is allowed to be paid to volunteers under a myriad of federal laws, including the IRC and Bureau of Labor standards.

### **State Matching Funds**

- Implications for the State of Colorado's financial statements with regard to state assistance under new GASB reporting requirements.



## **Study of the Volunteer Firefighter Pension System - *continued***

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- The state assistance program for volunteer plans is not based on a plan's need for additional funding. Fully funded plans can receive additional state assistance.
- Under current law, the State does not award matching funds to LOSAP plans.

### **Operational Issues**

- There is no requirement in state law that volunteer plans complete periodic actuarial valuations. Plans affiliated with FPPA do receive an actuarial valuation every two years as a matter of FPPA practice.
- Under state law, there is no requirement that any contributions to the plans be made, even where additional benefits accrue and an unfunded liability exists.
- No process exists to close volunteer plans or convert plans into an alternate benefit. Such a process could allow annuities, lump sum pay outs, or move to a defined contribution style plan.
- Coordination of benefits between volunteer departments when a volunteer has worked at multiple departments is difficult. It is difficult to track liability for individuals. (Not all volunteer benefits are administered by FPPA.)
- Many departments no longer feel that they are well served by a pension system that requires volunteers to participate 10 or 20 years to receive a benefit at age 50.
- Meeting the burdens for tracking beneficiaries, complying with regulatory requirements, maintaining a local pension board, maintaining records regarding service and eligibility is demanding on local volunteer pension boards.
- Separate local plans have become expensive to administer with increased reporting requirements under GASB.
- A multi-employer plan, whether defined contribution or defined benefit, would function more efficiently than individual local plans. This remains true even with central administration of local plans due to new financial reporting requirements.
- FPPA has no authority to administer any type of plan other than the current statutory local defined benefit plan.

The study required is beyond the scope of FPPA's authority. The issues raised have impacts well beyond FPPA's interests and expertise. FPPA has no funds to undertake the study required to address these issues. FPPA's structure is such that it does not have unencumbered operating money. All of its funds belong to one of the plans it administers. There are significant legal issues involved which will require the expertise of tax counsel. Funding for the work required to address these issues is critical.

## Affiliated Local Plans

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Alamosa	Fire	Volunteer	1/1/2013	\$1,459,991	\$1,350,125	\$(109,866)	108.1%
Alamosa County	Fire	Volunteer	1/1/2013	490,849	613,923	123,074	80.0%
Allenspark	Fire	Volunteer	1/1/2013	389,305	496,746	107,441	78.4%
Aspen	Fire	Volunteer	1/1/2013	1,752,971	3,271,973	1,519,002	53.6%
Ault	Fire	Volunteer	1/1/2013	525,778	1,038,833	513,055	50.6%
Aurora	Fire	Old Hire	1/1/2014	79,258,302	102,032,674	22,774,372	77.7%
Aurora	Police	Old Hire	1/1/2014	92,031,605	120,359,988	28,328,383	76.5%
Bancroft	Fire	Old Hire	1/1/2014	1,334,119	5,867,964	4,533,845	22.7%
Basalt	Fire	Volunteer	1/1/2013	1,658,913	1,885,429	226,516	88.0%
Bennett	Fire	Volunteer	1/1/2013	774,170	515,901	(258,269)	150.1%
Berthoud	Fire	Volunteer	1/1/2013	542,282	723,403	181,121	75.0%
Big Sandy	Fire	Volunteer	1/1/2013	106,683	46,044	(60,639)	231.7%
Big Thompson	Fire	Volunteer	1/1/2013	324,630	495,294	170,664	65.5%
Black Forest	Fire	Volunteer	1/1/2013	1,125,522	846,150	(279,372)	133.0%
Blanca	Fire	Volunteer	1/1/2013	139,460	81,300	(58,160)	171.5%
Boone	Fire	Volunteer	1/1/2013	33,460	37,145	3,685	90.1%
Boulder Mountain	Fire	Volunteer	1/1/2013	747,877	888,641	140,764	84.2%
Boulder Rural	Fire	Volunteer	1/1/2013	589,772	1,603,205	1,013,433	36.8%
Bow Mar	Police	Old Hire	1/1/2014	56,377	30,241	(26,136)	186.4%
Brighton	Fire	Volunteer	1/1/2013	3,599,270	3,623,249	23,979	99.3%
Brush Combined	Fire	Volunteer	1/1/2013	760,349	1,279,713	519,364	59.4%
Buena Vista	Fire	Volunteer	1/1/2013	377,479	477,641	100,162	79.0%
Burning Mountain	Fire	Volunteer	1/1/2013	1,833,792	3,116,658	1,282,866	58.8%
Calhan	Fire	Volunteer	1/1/2013	111,690	97,236	(14,454)	114.9%
Canon City	Fire	Old Hire	1/1/2014	3,020,697	5,308,300	2,287,603	56.9%
Canon City	Fire	Volunteer	1/1/2013	228,966	400,617	171,651	57.2%
Carbondale	Fire	Volunteer	1/1/2013	2,039,703	2,554,788	515,085	79.8%
Cascade	Fire	Volunteer	1/1/2013	294,438	354,149	59,711	83.1%
Castle Rock	Fire	Volunteer	1/1/2013	948,087	944,640	(3,447)	100.4%
Cedaredge	Police	Old Hire	1/1/2014	159,450	40,958	(118,492)	389.3%
Central City	Fire	Volunteer	1/1/2013	473,887	557,793	83,906	85.0%
Central Orchard Mesa	Fire	Volunteer	1/1/2013	105,091	323,837	218,746	32.5%
Cherry Hills	Fire	Old Hire	1/1/2014	2,474,276	4,509,247	2,034,971	54.9%
Cheyenne County #1	Fire	Volunteer	1/1/2013	355,665	361,150	5,485	98.5%
Clear Creek	Fire	Volunteer	1/1/2013	1,749,054	2,172,078	423,024	80.5%
Clifton	Fire	Volunteer	1/1/2013	1,777,601	1,704,687	(72,914)	104.3%
Coal Creek	Fire	Volunteer	1/1/2013	903,876	1,313,486	409,610	68.8%
Colorado Springs	Fire	Old Hire	1/1/2014	\$79,467,739	\$96,220,416	\$16,752,677	82.6%

**Affiliated Local Plans - continued**

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Colorado Springs	Police	Old Hire	1/1/2014	\$66,728,808	\$81,933,276	\$15,204,468	81.4%
Cortez	Police	Old Hire	1/1/2014	291,946	162,303	(129,643)	179.9%
Crested Butte	Fire	Volunteer	1/1/2013	2,339,297	2,760,411	421,114	84.7%
Cripple Creek	Fire	Volunteer	1/1/2013	466,028	172,938	(293,090)	269.5%
Crowley	Fire	Volunteer	1/1/2013	32,717	10,196	(22,521)	320.9%
Crystal Lake	Fire	Volunteer	1/1/2013	199,930	121,660	(78,270)	164.3%
Del Norte	Police	Old Hire	1/1/2014	2,391	13,344	10,953	17.9%
Denver	Fire	Old Hire	1/1/2014	353,484,704	482,021,920	128,537,216	73.3%
Denver	Police	Old Hire	1/1/2014	621,002,687	683,727,443	62,724,756	90.8%
Divide	Fire	Volunteer	1/1/2013	338,493	109,867	(228,626)	308.1%
Donald Westcott	Fire	Volunteer	1/1/2013	910,325	760,200	(150,125)	119.7%
Dove Creek	Fire	Volunteer	1/1/2013	237,090	414,521	177,431	57.2%
Durango	Fire	Old Hire	1/1/2014	1,151,892	2,165,197	1,013,305	53.2%
Durango	Police	Old Hire	1/1/2014	1,701,515	2,808,749	1,107,234	60.6%
Durango	Fire	Volunteer	1/1/2013	5,054,437	5,592,970	538,533	90.4%
Eads	Fire	Volunteer	1/1/2013	128,573	112,068	(16,505)	114.7%
East Grand	Fire	Volunteer	1/1/2013	1,784,855	2,281,596	496,741	78.2%
Eaton	Fire	Volunteer	1/1/2013	1,016,344	1,209,330	192,986	84.0%
Eckley	Fire	Volunteer	1/1/2013	21,779	49,113	27,334	44.3%
Elbert	Fire	Volunteer	1/1/2013	164,979	52,115	(112,864)	316.6%
Elizabeth	Fire	Volunteer	1/1/2013	1,131,767	1,936,433	804,666	58.4%
Elk Creek FPD	Fire	Volunteer	1/1/2013	2,556,323	2,153,238	(403,085)	118.7%
Englewood	Fire	Old Hire	1/1/2014	7,191,033	9,243,507	2,052,474	77.8%
Englewood	Police	Old Hire	1/1/2014	4,906,910	9,032,379	4,125,469	54.3%
Englewood	Fire	Volunteer	1/1/2013	100,401	121,155	20,754	82.9%
Evans FPD	Fire	Volunteer	1/1/2013	544,027	1,307,060	763,033	41.6%
Evergreen	Fire	Volunteer	1/1/2013	3,796,473	5,536,583	1,740,110	68.6%
Falcon	Fire	Volunteer	1/1/2013	637,532	805,571	168,039	79.1%
Federal Heights	Fire	Volunteer	1/1/2013	2,289,388	226,004	(2,063,384)	1013.0%
Fisher's Peak	Fire	Volunteer	1/1/2013	128,371	73,365	(55,006)	175.0%
Florence	Fire	Volunteer	1/1/2013	1,314,135	1,074,406	(239,729)	122.3%
Foothills	Fire	Volunteer	1/1/2013	1,272,922	1,822,205	549,283	69.9%
Fort Lewis Mesa	Fire	Volunteer	1/1/2013	297,770	444,124	146,354	67.0%
Fort Morgan	Fire	Volunteer	1/1/2013	1,151,725	2,390,940	1,239,215	48.2%
Fort Morgan	Police	Old Hire	1/1/2014	550,355	1,241,166	690,811	44.3%
Fort Morgan Rural	Fire	Volunteer	1/1/2013	633,536	932,587	299,051	67.9%
Franktown	Fire	Volunteer	1/1/2013	2,386,172	496,519	(1,889,653)	480.6%
Frederick	Fire	Volunteer	1/1/2013	\$149,249	\$275,360	\$126,111	54.2%

**Affiliated Local Plans - continued**

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Galeton	Fire	Volunteer	1/1/2013	\$616,753	\$834,036	\$217,283	73.9%
Genesee	Fire	Volunteer	1/1/2013	1,221,927	1,670,157	448,230	73.2%
Glacier View	Fire	Volunteer	1/1/2013	211,316	180,612	(30,704)	117.0%
Glendale	Fire	Volunteer	1/1/2013	211,805	112,628	(99,177)	188.1%
Glenwood Springs	Fire	Volunteer	1/1/2013	741,647	1,166,698	425,051	63.6%
Golden	Fire	Volunteer	1/1/2013	2,810,660	4,679,734	1,869,074	60.1%
Golden Gate	Fire	Volunteer	1/1/2013	274,339	277,445	3,106	98.9%
Grand FPD #1	Fire	Volunteer	1/1/2013	1,246,919	2,444,960	1,198,041	51.0%
Grand Junction	Fire	Old Hire	1/1/2014	9,493,841	12,552,106	3,058,265	75.6%
Grand Junction	Police	Old Hire	1/1/2014	4,414,527	3,953,023	(461,504)	111.7%
Grand Lake	Fire	Volunteer	1/1/2013	1,567,689	965,683	(602,006)	162.3%
Grand Valley	Fire	Volunteer	1/1/2013	3,111,281	1,696,580	(1,414,701)	183.4%
Green Mountain Falls	Fire	Volunteer	1/1/2013	219,303	417,350	198,047	52.5%
Greeley	Police	Old Hire	1/1/2014	862,360	1,337,684	475,324	64.5%
Greeley	Fire	Old Hire	1/1/2014	10,212,293	10,438,678	226,385	97.8%
Gypsum	Fire	Volunteer	1/1/2013	520,710	901,018	380,308	57.8%
Hartsel	Fire	Volunteer	1/1/2013	557,544	1,029,957	472,413	54.1%
Haxtun	Fire	Volunteer	1/1/2013	152,582	163,286	10,704	93.4%
Haxtun	Police	Old Hire	1/1/2014	157,983	256,240	98,257	61.7%
Hillrose	Fire	Volunteer	1/1/2013	182,841	175,792	(7,049)	104.0%
Holyoke	Fire	Volunteer	1/1/2013	175,018	190,805	15,787	91.7%
Holyoke FPD	Fire	Volunteer	1/1/2013	214,004	370,017	156,013	57.8%
Hot Sulfr Springs	Fire	Volunteer	1/1/2013	202,424	91,140	(111,284)	222.1%
Hygiene	Fire	Volunteer	1/1/2013	962,334	886,193	(76,141)	108.6%
Indian Hills	Fire	Volunteer	1/1/2013	312,066	510,339	198,273	61.1%
Inter-Canyon	Fire	Volunteer	1/1/2013	1,222,336	2,038,711	816,375	60.0%
Jackson 105	Fire	Volunteer	1/1/2013	242,291	432,388	190,097	56.0%
Jefferson-Como	Fire	Volunteer	1/1/2013	906,915	501,329	(405,586)	180.9%
Kiowa	Fire	Volunteer	1/1/2013	622,049	457,063	(164,986)	136.1%
Kremmling	Fire	Volunteer	1/1/2013	393,087	688,130	295,043	57.1%
La Junta	Fire	Old Hire	1/1/2014	843,054	1,335,928	492,874	63.1%
La Junta	Police	Old Hire	1/1/2014	784,292	1,089,658	305,366	72.0%
La Junta	Fire	Volunteer	1/1/2013	474,596	229,385	(245,211)	206.9%
La Salle	Police	Old Hire	1/1/2014	1,014,955	769,085	(245,870)	132.0%
La Salle	Fire	Volunteer	1/1/2013	2,497,196	2,250,828	(246,368)	110.9%
Lafayette	Fire	Volunteer	1/1/2013	1,233,961	2,518,142	1,284,181	49.0%
Lake City Area	Fire	Volunteer	1/1/2013	67,914	45,859	(22,055)	148.1%
Lake Dillon	Fire	Volunteer	1/1/2013	\$3,529,649	\$4,078,797	\$549,148	86.5%

**Affiliated Local Plans - continued**

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Lake George	Fire	Volunteer	1/1/2013	\$278,910	\$401,525	\$122,615	69.5%
Lakewood	Fire	Old Hire	1/1/2014	15,334,725	14,497,764	(836,961)	105.8%
Lamar	Fire	Old Hire	1/1/2014	838,802	285,202	(553,600)	294.1%
Lamar	Fire	Volunteer	1/1/2013	607,626	163,391	(444,235)	371.9%
Larkspur FPD	Fire	Volunteer	1/1/2013	1,423,770	2,202,661	778,891	64.6%
Las Animas	Police	Old Hire	1/1/2014	331,641	571,427	239,786	58.0%
Leadville	Fire	Old Hire	1/1/2014	175,503	269,960	94,457	65.0%
Left Hand	Fire	Volunteer	1/1/2013	1,052,852	767,663	(285,189)	137.2%
Lewis Arriola	Fire	Volunteer	1/1/2013	1,117,429	1,690,013	572,584	66.1%
Limon	Fire	Volunteer	1/1/2013	474,170	265,641	(208,529)	178.5%
Livermore	Fire	Volunteer	1/1/2013	149,711	104,941	(44,770)	142.7%
Log Hill Mesa	Fire	Volunteer	1/1/2013	175,665	273,478	97,813	64.2%
Loveland	Fire	Old Hire	1/1/2014	195,132	211,998	16,866	92.0%
Loveland & Rural	Fire	Volunteer	1/1/2013	2,759,048	3,571,247	812,199	77.3%
Lower Valley	Fire	Volunteer	1/1/2013	1,151,028	910,484	(240,544)	126.4%
Lyons	Fire	Volunteer	1/1/2013	884,245	798,556	(85,689)	110.7%
Mancos	Fire	Volunteer	1/1/2013	734,458	297,886	(436,572)	246.6%
Manitou Springs	Fire	Old Hire	1/1/2014	346,781	569,700	222,919	60.9%
Manitou Springs	Fire	Volunteer	1/1/2013	360,312	576,898	216,586	62.5%
Manzanola	Fire	Volunteer	1/1/2013	146,357	81,862	(64,495)	178.8%
Milliken	Fire	Volunteer	1/1/2013	564,831	923,716	358,885	61.1%
Montrose	Fire	Old Hire	1/1/2014	139,709	292,099	152,390	47.8%
Montrose	Fire	Volunteer	1/1/2013	566,592	976,112	409,520	58.0%
Mountain View	Fire	Old Hire	1/1/2014	362,238	330,572	(31,666)	109.6%
Mountain View	Fire	Volunteer	1/1/2013	2,344,613	2,645,363	300,750	88.6%
Nederland	Fire	Volunteer	1/1/2013	538,616	677,983	139,367	79.4%
New Raymer/Stoneham	Fire	Volunteer	1/1/2013	186,279	207,899	21,620	89.6%
North Fork	Fire	Volunteer	1/1/2013	209,498	337,952	128,454	62.0%
North Routt	Fire	Volunteer	1/1/2013	186,284	355,819	169,535	52.4%
North Washington	Fire	Old Hire	1/1/2014	3,261,205	4,607,179	1,345,974	70.8%
North Washington	Fire	Volunteer	1/1/2013	156,730	58,408	(98,322)	268.3%
Northeast Teller	Fire	Volunteer	1/1/2013	525,657	743,450	217,793	70.7%
Northwest FPD	Fire	Volunteer	1/1/2013	313,157	670,186	357,029	46.7%
Northwest Conejos	Fire	Volunteer	1/1/2013	433,966	611,136	177,170	71.0%
Norwood	Fire	Volunteer	1/1/2013	308,268	343,283	35,015	89.8%
Nucla-Naturita	Fire	Volunteer	1/1/2013	460,152	483,230	23,078	95.2%
Nunn	Fire	Volunteer	1/1/2013	681,434	335,049	(346,385)	203.4%
Oak Creek	Fire	Volunteer	1/1/2013	\$298,103	\$549,553	\$251,450	54.2%

**Affiliated Local Plans - continued**

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
Olathe	Fire	Volunteer	1/1/2013	\$574,277	\$828,705	\$254,428	69.3%
Olney Springs	Fire	Volunteer	1/1/2013	162,556	97,509	(65,047)	166.7%
Ordway	Fire	Volunteer	1/1/2013	192,850	89,653	(103,197)	215.1%
Ouray	Fire	Volunteer	1/1/2013	367,122	315,363	(51,759)	116.4%
Palisade VFD	Fire	Volunteer	1/1/2013	749,801	118,912	(630,889)	630.6%
Palmer Lake	Fire	Volunteer	1/1/2013	17,978	105,885	87,907	17.0%
Parker	Fire	Volunteer	1/1/2013	423,822	715,357	291,535	59.2%
Pawnee	Fire	Volunteer	1/1/2013	125,199	32,716	(92,483)	382.7%
Peeetz	Fire	Volunteer	1/1/2013	135,886	51	(135,835)	266443.1%
Peyton	Fire	Volunteer	1/1/2013	32,864	23,945	(8,919)	137.2%
Pinewood Springs	Fire	Volunteer	1/1/2013	144,219	188,419	44,200	76.5%
Plateau Valley	Fire	Volunteer	1/1/2013	1,203,574	791,948	(411,626)	152.0%
Platte Canyon	Fire	Volunteer	1/1/2013	963,411	1,125,513	162,102	85.6%
Platte Valley	Fire	Volunteer	1/1/2013	2,178,901	1,572,133	(606,768)	138.6%
Platteville	Fire	Volunteer	1/1/2013	3,576,922	4,294,513	717,591	83.3%
Pleasant View Metro	Fire	Volunteer	1/1/2013	1,508,428	870,437	(637,991)	173.3%
Poudre Canyon	Fire	Volunteer	1/1/2013	54,719	111,841	57,122	48.9%
Poudre Valley	Fire	Volunteer	1/1/2013	110,681	109,018	(1,663)	101.5%
Pueblo	Fire	Old Hire	1/1/2014	38,209,192	49,077,843	10,868,651	77.9%
Pueblo	Police	Old Hire	1/1/2014	53,116,672	64,812,929	11,696,257	82.0%
Pueblo Rural	Fire	Old Hire	1/1/2014	2,081,556	2,485,906	404,350	83.7%
Rangley Rural	Fire	Volunteer	1/1/2013	542,524	633,906	91,382	85.6%
Rattlesnake	Fire	Volunteer	1/1/2013	847,957	1,073,055	225,098	79.0%
Red Feather Lakes	Fire	Volunteer	1/1/2013	273,719	430,710	156,991	63.6%
Red White Blue	Fire	Old Hire	1/1/2014	289,099	621,125	332,026	46.5%
Red White Blue	Fire	Volunteer	1/1/2013	1,258,384	867,103	(391,281)	145.1%
Ridgway	Fire	Volunteer	1/1/2013	529,457	342,977	(186,480)	154.4%
Rifle	Fire	Volunteer	1/1/2013	3,973,902	3,278,470	(695,432)	121.2%
Rio Blanco	Fire	Volunteer	1/1/2013	2,674,308	3,058,088	383,780	87.5%
Rocky Ford	Fire	Old Hire	1/1/2014	325,433	72,810	(252,623)	447.0%
Rocky Ford	Police	Old Hire	1/1/2014	327,753	592,430	264,677	55.3%
Rocky Ford	Fire	Volunteer	1/1/2013	65,843	23,439	(42,404)	280.9%
Rocky Mountain	Fire	Volunteer	1/1/2013	418,922	528,592	109,670	79.3%
Sable Alt	Fire	Volunteer	1/1/2013	544,145	661,613	117,468	82.2%
Salida	Fire	Old Hire	1/1/2014	156,722	236,670	79,948	66.2%
Salida	Police	Old Hire	1/1/2014	639,915	1,298,676	658,761	49.3%
Sheridan	Fire	Volunteer	1/1/2013	426,452	920,119	493,667	46.3%
Silverton	Fire	Volunteer	1/1/2013	\$218,666	\$284,162	\$65,496	77.0%

**Affiliated Local Plans - continued**

Affiliated Local Plan Employer	Fire/Police	Plan Type	Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Surplus) Actuarial Accrued Liability	Actuarial Funded Ratio
South Adams County	Fire	Old Hire	1/1/2014	\$397,484	\$601,268	\$203,784	66.1%
South Adams County	Fire	Volunteer	1/1/2013	4,827,401	6,012,239	1,184,838	80.3%
South Arkansas	Fire	Volunteer	1/1/2013	183,640	148,742	(34,898)	123.5%
South Conejos	Fire	Volunteer	1/1/2013	203,980	250,085	46,105	81.6%
South Metro Rescue	Fire	Volunteer	1/1/2013	366,153	336,624	(29,529)	108.8%
Southwest Washington	Fire	Volunteer	1/1/2013	106,532	56,758	(49,774)	187.7%
Springfield	Police	Old Hire	1/1/2014	487,302	277,185	(210,117)	175.8%
Springfield	Fire	Volunteer	1/1/2013	120,619	54,841	(65,778)	219.9%
Steamboat Springs	Fire	Volunteer	1/1/2013	1,133,513	1,560,273	426,760	72.6%
Sterling	Fire	Old Hire	1/1/2014	748,087	1,270,810	522,723	58.9%
Sterling	Police	Old Hire	1/1/2014	328,265	130,405	(197,860)	251.7%
Sterling	Fire	Volunteer	1/1/2013	394,145	521,018	126,873	75.6%
Stonewall	Fire	Volunteer	1/1/2013	651,853	670,843	18,990	97.2%
Stratton	Fire	Volunteer	1/1/2013	107,793	46,484	(61,309)	231.9%
Sugar City	Fire	Volunteer	1/1/2013	100,296	106,622	6,326	94.1%
Sugar Loaf	Fire	Volunteer	1/1/2013	371,995	519,967	147,972	71.5%
Telluride	Fire	Volunteer	1/1/2013	1,428,875	2,479,896	1,051,021	57.6%
Thornton	Fire	Old Hire	1/1/2014	5,589,535	7,955,511	2,365,976	70.3%
Timberline	Fire	Volunteer	1/1/2013	1,621,715	1,615,600	(6,115)	100.4%
Trinidad	Fire	Old Hire	1/1/2014	644,024	1,283,862	639,838	50.2%
Trinidad	Police	Old Hire	1/1/2014	72,491	124,030	51,539	58.4%
Walsh	Fire	Volunteer	1/1/2013	57,979	50,091	(7,888)	115.7%
Wellington	Fire	Volunteer	1/1/2013	1,211,475	1,493,314	281,839	81.1%
West Cheyenne	Fire	Volunteer	1/1/2013	127,893	107,839	(20,054)	118.6%
West Douglas County	Fire	Volunteer	1/1/2013	522,094	791,182	269,088	66.0%
West Metro	Fire	Volunteer	1/1/2013	718,121	766,309	48,188	93.7%
West Routt	Fire	Volunteer	1/1/2013	2,302,915	2,233,216	(69,699)	103.1%
Westminster	Fire	Volunteer	1/1/2013	2,514,869	1,827,858	(687,011)	137.6%
Wet Mountain	Fire	Volunteer	1/1/2013	1,386,060	1,131,641	(254,419)	122.5%
Wiggins Rural	Fire	Volunteer	1/1/2013	756,018	497,048	(258,970)	152.1%
Wiley Rural	Fire	Volunteer	1/1/2013	112,277	56,393	(55,884)	199.1%
Windsor Severance	Fire	Volunteer	1/1/2013	2,546,054	3,039,526	493,472	83.8%
Yampa	Fire	Volunteer	1/1/2013	408,507	548,745	140,238	74.4%
Yuma	Fire	Volunteer	1/1/2013	437,950	256,870	(181,080)	170.5%
				<b>\$1,619,113,754</b>	<b>\$1,962,051,827</b>	<b>\$342,938,073</b>	<b>82.5%</b>

# **FPPA**

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Fire and Police Pension Association of Colorado

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