



Firemen's Relief & Pension Board Agenda

Board Members: Dana Ralph, Mayor,
Kimberley A. Komoto, City Clerk, Les Thomas, Chair of the Operations Committee,
Sam Grubbs, Retired Firefighter, Al Bond, Retired Firefighter

**January 16, 2018
3:30 p.m.**

<u>Item</u>	<u>Description</u>	<u>Action</u>	<u>Speaker</u>	<u>Time</u>
1.	Call to order		Mayor Ralph	1 Min
2.	Roll Call		Kim Komoto	1 Min
3.	Changes to the Agenda MOVE TO APPROVE THE AGENDA	Yes	Mayor Ralph	1 Min
4.	Approval of Minutes of October 17, 2017 MOVE TO APPROVE THE MINUTES OF October 17, 2017	Yes		1 Min
5.	Financial Report MOVE TO APPROVE THE FINANCIAL REPORT ENDING DECEMBER 31, 2017	Yes	Lavina Brennecke	5 Min
6.	Benefit adjustment to reflect Puget Sound Regional Fire Authority COLA increase MOVE TO APPROVE THE BENEFIT ADJUSTMENT TO REFLECT THE PUGET SOUND REGIONAL FIRE AUTHORITY COLA INCREASE		Susanne Shaw	5 Min
7.	Adjournment MOVE TO ADJOURN THE MEETING OF January 16, 2018	Yes	Mayor Ralph	1 Min

Unless otherwise noted, the Firemen's Relief and Pension Board meets quarterly at 3:30 p.m. in the Mayor's Office located in the City Hall Building, 220 Fourth Ave S, Kent, WA 98032.

For additional information please contact Kimberley A. Komoto at 253-856-5788 or via email at Kkomoto@KentWA.gov.

Any person requiring a disability accommodation should contact the City Clerk's Office at 253-856-5725 in advance. For TDD relay service call Washington Telecommunications Relay Service at 1-800-833-6388.

Approval Pending

BOARD MEMBERS PRESENT: Board Chair, Mayor Suzette Cooke, board members Dana Ralph, Sam Grubbs, Al Bond and Kim Komoto, Secretary.

STAFF MEMBERS PRESENT: Lavina Brennecke, Accounting and Reporting Manager

1. Call to Order

The meeting was called to order at 3:34 p.m., with Committee Chair Mayor Cooke presiding.

2. Roll Call

Mayor Suzette Cooke – Present
Councilmember Dana Ralph – Present
Kim Komoto – Present
Al Bond – Present
Sam Grubbs - Present

3. Changes to the Agenda

Sam Grubbs moved to approve the agenda as submitted, and Al Bond seconded the motion.

The motion passed unanimously by a vote of 5-0.

4. Approval of Minutes, dated July 18, 2017

Sam Grubbs moved to approve the minutes dated July 18, 2017, and Al Bond seconded the motion.

The motion passed unanimously by a vote of 5-0.

5. 3rd Quarter 2017 Financial Transactions

Lavina Brennecke, Accounting & Reporting Manager provided details regarding the Firemen's Relief and Pension Trust Fund Executive Summary, ending September 30, 2017. Details were provided regarding cash, local investment pool, other investments, and FHLM allocations. Lavina reviewed the revenues and expenses and indicated the increased earnings are due to the City's more robust investment program.

Lavina Detailed the operating expenses including payments to retirees and health insurance premiums.

Approval Pending

Al Bond moved to approve the financial transactions for the Third Quarter of 2017 and Sam Grubbs seconded the motion.

The motion passed unanimously with a vote of 5-0.

6. Amendments to Operating Policies

Kimberley Komoto detailed the proposed amendments to the Operating Policies. Additional revisions included revising section 3.2 to refer to the Operations Committee rather than the Finance Committee.

Kimberley Komoto moved to approve the amendments to the Firemen's Relief and Pension Board Operating Policies, as further amended, Sam Grubbs seconded the motion.

The motion passed unanimously with a vote of 5-0.

7. Adjournment

At 3:47 p.m., Chair, Mayor Cooke declared the meeting adjourned.

Kimberley A. Komoto
Firemen's Relief and Pension Board Secretary



**CITY OF KENT
FIREMEN'S RELIEF & PENSION TRUST FUND
FINANCIAL REPORT
December, 2017**

MANAGEMENT REPORTS

Cash and Investments as of December 31, 2017 5 year comparison and breakdown of current investments	1
Statement of Revenues and Expenses for the Year Ended December 31, 2017	2

City of Kent
Firemen's Relief & Pension Trust Fund
Executive Summary
December, 2017

Cash & Investments – December 31, 2017

- The total cash & investments has decreased about \$60,000 since the same period in 2016. Historically, the pension funds decrease about \$90,000 per year. The listing of investments is in the chart on the same page. It shows the Checking and LGIP (Local Government Investment Pool) balances first, followed by the longer term investments and their maturities.
- The pie chart shows each investment in relation to the total investment.

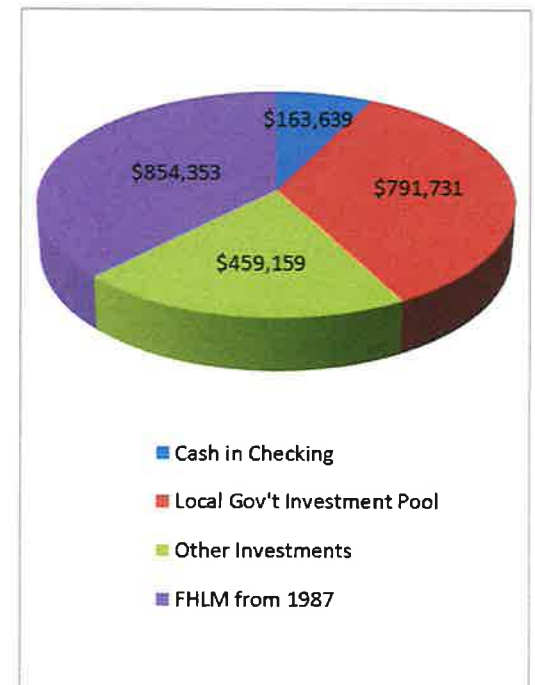
Statement of Revenues and Expenses – December 31, 2017

- The year to date interest income for 2017 (\$82,859) is an estimate. We anticipate the actual interest earnings will be very close to this number. Interest earnings increased about \$6,000 over the prior year. This was mostly due to rising interest rates during the year in the LGIP and in our investments. We anticipate that in 2018 interest should stay very consistent with 2017 or decrease slightly as balances in the LGIP go down.
- Pension costs for the year to date are \$162,942. Pension costs represent the difference between what firefighters would have received under the city pension vs. their current LEOFF pension benefits. Pension costs for 2017 are about \$4,000 greater than 2016 costs.
- Health insurance costs are set by the actuarial. For 2017, the total annual health insurance cost was \$200,000. This is a decrease of \$26,000 from 2016 costs. These costs are a portion of the cost of health insurance and long-term care insurance costs that are paid by the City.

City of Kent
Firemen's Relief & Pension Trust Fund #620
Cash & Investments
December 31, 2017
Five Year Comparison

	12/31/13		12/31/14		12/31/15		12/31/16		12/31/17	
CASH & INVESTMENTS										
Cash in Checking & LGIP	\$ 2,048,550	76.92%	\$ 1,852,659	73.52%	\$ 683,032	28.21%	\$ 719,115	30.88%	\$ 955,370	42.11%
Investments, at Cost	614,535	23.08%	667,260	26.48%	1,738,163	71.79%	1,609,989	69.12%	1,313,512	57.89%
TOTAL CASH & INVESTMENTS	\$ 2,663,085	100.00%	\$ 2,519,919	100.00%	\$ 2,421,195	100.00%	\$ 2,329,104	100.00%	\$ 2,268,882	100.00%
LIABILITIES AND RETAINED EARNINGS										
Accrued Expenses	\$ 5,025	0.19%	\$ 5,937	0.24%	\$ 6,471	0.27%	\$ 6,596	0.28%	\$ 6,676	0.29%
Held in trust for Pension Benefits	2,658,060	99.81%	2,513,982	99.76%	2,414,724	99.73%	2,322,508	99.72%	2,262,206	99.71%
TOTAL LIABILITIES & RETAINED EARNINGS	\$ 2,663,085	100.00%	\$ 2,519,919	100.00%	\$ 2,421,195	100.00%	\$ 2,329,104	100.00%	\$ 2,268,882	100.00%

CITY OF KENT FIREMEN'S RELIEF AND PENSION FUND INVESTMENTS December 31, 2017				
Purchase		Investment		
Date	Security Description	Yield	Maturity	Total
12/31/17	Cash in Checking	0.000%		\$ 163,639
12/31/17	Local Gov't Investment Pool	1.127%	Overnight	\$ 791,731
12/31/17	Other Investments	0.750-3.125%	2 mo.-5 yrs.	\$ 459,159
04/10/87	Federal Home Loan Mortgage	8.508%	11/29/19	\$ 854,353
				\$ 2,268,882



City of Kent
 Firemen's Relief and Pension Trust Fund #620
 Statement of Revenues and Expenses
 For the Year Ended December 31, 2017
 Five Year Comparison

	12/31/13		12/31/14		12/31/15		12/31/16		12/31/17						
<u>OPERATING REVENUES</u>															
Interest Income	\$	51,800	25.05%	\$	54,673	23.41%	\$	68,279	23.76%	\$	76,528	25.16%	\$	82,859	27.11%
Fire Insurance Premium Tax		155,012	74.95%		178,899	76.59%		219,032	76.24%		227,665	74.84%		222,783	72.89%
<u>TOTAL REVENUES</u>	\$	206,812	100.00%	\$	233,572	100.00%	\$	287,311	100.00%	\$	304,193	100.00%	\$	305,642	100.00%
<u>OPERATING EXPENSES</u>															
Pension Payments to Retirees		124,148	38.66%		143,325	37.95%		157,121	40.69%		158,944	40.06%		162,942	44.53%
Health Insurance		197,000	61.34%		226,000	59.84%		226,000	58.53%		226,000	56.96%		200,000	54.65%
Actuarial Study			0.00%		8,325	2.20%		3,000	0.78%		11,825	2.98%		3,000	0.82%
<u>TOTAL EXPENSES</u>	\$	321,148	100.00%	\$	377,650	100.00%	\$	386,121	100.00%	\$	396,769	100.00%	\$	365,942	100.00%
<u>NET INCOME (LOSS)</u>	\$	(114,336)		\$	(144,078)		\$	(98,810)		\$	(92,576)		\$	(60,300)	