Logan County Commissioners Work Session
April 23, 2019

Present: Joe McBride, Jane Bauder, Byron Pelton, Alan Samber, Shannon Graves, Debbie Unrein, Jeff Rice, Jerry Casebolt, Marilee Johnson, Rob Quint, Tim Mullen, Susan Cleeton and Jennifer Crow.

Chairman McBride called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION - Commissioner Bauder moved to approve the minutes of the April 16, 2019 work session as corrected changing $70,000,000 to $70,000 on page three. Chairman McBride seconded and the motion carried.

REVISIONS TO WORK SESSION AGENDA - The Board will discuss the Exhibit Center Concessions area and a letter of support for the Schneider Ditch Company Diversion Project.

REVIEW LOGAN COUNTY DEPARTMENT OF HUMAN SERVICES SCHEDULE OF BILLS - Shannon Graves met with the Board to review the Logan County Department of Human Services schedule of bills dated April 23, 2019. The Board approved all bills as presented.

REVIEW DEPARTMENT OF HUMAN SERVICES (DHS) APPROVAL OF PAYROLL Shannon Graves met with the Board to review the DHS approval of payroll for pay period March 30, 2019 through April 12, 2019. The Board approved payroll as presented.

REVIEW LOGAN COUNTY SCHEDULE OF BILLS - Debbie Unrein met with the Board to review the Logan County schedule of bills dated April 23, 2019. The Board approved all bills as presented.

HARRIS ENGINEERING DIVERSION LETTER - The Board agreed to sign a letter of support for the Snyder Ditch Company diversion structure replacement project Harris Engineering of Ft. Morgan sent an e-mail that they are applying for grant funds for the Snyder ditch near Atwood. They have to dredge the ditch every year due to sediment that blocks the ditch. The project will allow a dedicated fish passage incorporated into the new structure which will restore connectivity to approximately 32,200 feet of channel upstream of the structure and 37 acres of aquatic habit along the South Platte River.

CONCESSIONS BOCC - The Board agreed to advertised the concessions contract at the Exhibit Center kitchen along with the Fair Board request for bids to operate the concessions during the fair.

ATV'S/UTV's ON COUNTY ROADS - nothing new to report

COURTHOUSE EXTERIOR LIGHTING - Nate Webb proposal increased from $11,000 to 27,200 due to there being seventeen controllers. The Board will talk to Debbie Unrein to determine where in the budget the funds will come from. They would also like an estimate of what the sale of the old controllers might bring on ebay. The Board would like the work completed before the summer if possible.

PLANNING AND ZONING AGENDA APRIL 30, 2019 - Rob Quint met with the Board to explain the Campground Site application regulations. The application contains a checklist for items needed on the application. The Board suggested that areas for the signature of the applicant as well as the Planning and Zoning Department be added to the checklist.

Rob reviewed two items that will be on the April 30, 2019 agenda. Rob will not be attending the meeting so he asked to review them today.

The first is the Thompson Minor Subdivision. This action is being taken to fix something that should have been done at the time of a subdivision exemption. The property is for sale. This action cleans up the land description legally. This should have been done as a minor subdivision initially. Alan Samber noted that when a Subdivision Exemption is approved for a parcel smaller than 35 acres, the remaining parcel must be more than 35 acres. There are wells on both parcels. There were no questions or concerns from the Board.

The second item is the Lardyn Consulting, LLC feedlot. This is the old Hamil Feedlot north of Sterling on North 7th Avenue. John Polling previously owned the feedlot but let the permits with the state laps. Lardyn Consulting is working to bring the permits up to date. Mr. Polling only ran 1,000 head of cattle, and built more feed bunks and pens to expand but was never able to it bring up to 5,000 head.

The feedlot was originally permitted with the county for 5,000 head, however, state permits were never brought up to 5,000 head. The renewal of the 5,000 head county permit must be obtained from the county before the state permits will be approved. This action will bring the county permit current to 5,000 head and change the name. There were no concerns at the Planning Commission meeting. There were no concerns from the Board.

CCOERA/SHERIFF'S OFFICE/FPPA - Tim Mullen, CFO of Colorado County Officials and Employees Retirement Association (CCOERA) and Susan Cleeton of CCOERA met with the Board.

Mr. Mullen and Ms. Cleeton explained the background of the recent legislation giving counties, cities or special districts the ability to leave CCOERA. The bill is on the Governor's desk for signature. Previously, if anyone wanted to leave CCOERA, it required a 65% approval vote of entire entities' members. The current bill allows a 55% vote of the department leaving for example, if 55 % of Sheriff's Office employees vote to leave CCOERA, the department can leave.

The average age of Logan County employees participating in CCOERA is 49 and the average tenure for employees is 12 years. The employees are a bit older than employees from other counties and have worked a little bit longer. Ms. Cleeton said this speaks to the job the county is doing to help retain employees. The CCOERA plan features immediate eligibility for new employees with 4% employee contribution and a 4% county match which is a little below other counties which average 4.5%. Employees in the plan are vested at five years.

Mr. Mullen explained Defined Contribution (DC) vs. Defined Benefit (DB) retirement plans. The DC plan places the financial risk on the employee. The employee contributes into an individual retirement account each pay period, and retains full control over their retirement savings. A DB plan defines the retirement benefit based upon certain conditions and formulas and places the financial risk on the employer. If inadequate investment performances or longer payouts exhaust the pension fund, an employer will still be responsible for covering funding gaps.

Both types of plans invest significant portion in stocks which makes both subject to market volatility.

FPPA is similar to CCOERA in some ways, they have a nine member board comprised mostly of employees from the Denver area. They employee outside consultants, and use investment managers. The funding gap occurs if the plan is not making the right amount of money.

The plan that the county would enter into with FPPA would be the Statewide Defined Benefit Plan-Social Security Supplemental Plan. The contribution rate for members and employers is 4% of base salary January 1, 2007 through 2014.

The county's current contribution rate is the Employee contributes 4% and the county contributes a 4% match.

FPPA may modify minimum employee and employer contribution rates with legislative approval. FPPA may make revisions without legislative approval, i.e. benefits, annual COLA, control of accounts generated by surplus funds. FPPA can modify employee or employer contributions with legislative approval either raise contributions rates of employee or employer or lower benefits. May make revisions without legislative approval. Annual cost of living increase, now assuming zero percent cost of living COLA, could also control where surplus money goes

Vesting is the same for both types of plans. Normal retirement age under FPPA with full promised benefits is 55, with 25 years of service. Early retirement age is 50 with 5 years of service or 30 years of service at a reduced benefit. Normal retirement option is one percent of the highest average salary for each year of service, 1-10 years and 1.25% of highest average salary for each year over 10 years.

If the county does allow the vote, the Sheriff's Office will most likely get the 55% approval vote needed. If current Sheriff's employees choose to stay with CCOERA individually they can stay with CCOERA. This will mean the county will be administering two plans CCOERA and FPPA. All new county employees must go on FPPA. Existing employees have the option to stay or move to FPPA.

Direct Benefit plans work well if employees stay with the plan for 25 years. If the employee leaves early, they forfeit all employer contributions. Those employer contributions don't go back to employer, they go to fund the plan.

CCOERA offers maximum employer and employee flexibility. The county can increase employer contributions. House Bill 1299 passed the house and is in the senate tomorrow will allow entities to have unmatched contributions.

CCOERA offers access to a low-cost lifetime income annuity program through Hueler Investment Services, Inc. Employees can get a guaranteed retirement income and can elect various features to customize to needs for a one percent fee.

The key issues to consider when changing to FPPA is the risk is shifted from the participant to the employer. Once in FPPA, there is no control and the county can't leave FPPA.
FPPA claims to be fully funded, however it is not fully funded. Currently they are paying a COLA, but their annual report says they are not paying a COLA. Without COLA they are not fully funded. If the rate of return was down to 6.5% they would be significantly underfunded.

Underfunding may require additional increases to contributions for the employer up to 25%, employee, and potentially from taxpayers. Colorado FPPA is required to post under funding as liabilities on their balance sheet and accrue expenses.

Currently, if an employer leaves CCOERA, all active participants will become 100% vested. Logan County's total plan assets amount to $7,093,350. Of this amount, approximately $4,000,000 is vested. The forfeiture amounts returned to the county in 2018 were $20,856. Under FPPA, these amounts would not be returned to the county. The effect on outstanding loans is still being examined. There are 23 loans outstanding for all employees (excluding Human Services) for a total of $204,171. If there are outstanding loans in the Sheriff's Office, employees will face a 10% penalty if not of retirement age. The county will also have to still withhold money from the employee to pay the loan.

Brett Powell explained that officers will not hire on with Logan County because the county does not have FPPA. Sheriff's Offices all over the state are losing out on employees because they cannot offer FPPA. Only sworn officers and jailers are eligible for FPPA. Administrative employees are not eligible.

ADJOURNMENT - There being no further business to come before the Board, the meeting adjourned at 10:25 a.m.