

**NOTICE OF PUBLIC MEETING
OF THE CITY OF COTTONWOOD
ALTERNATE PENSION AND BENEFIT PLAN BOARD OF DIRECTORS**

Pursuant to A.R.S. §38-431.02 notice is hereby given to the members of the Alternate Pension and Benefit Plan Board of Directors of the City of Cottonwood and to the general public that the Alternate Pension and Benefit Plan Board of Directors of the City of Cottonwood will hold their Annual Meeting, which is open to the public on:

December 19, 2014, 1:00 P.M.
Public Safety Building Fire Department Conference Room
199 S. 6th Street
Cottonwood, Arizona

The amended agenda for the meeting is as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE DECEMBER 13, 2013 MEETING MINUTES
4. NEW BUSINESS:
 - A. DISCUSSION, UPDATE ON THE ALTERNATE PENSION AND BENEFIT TRUST DISSOLUTION
 - B. UPDATE ON THE USE OF TRUST MONIES TO HIRE CONSULTANT TO PROVIDE LEGAL GUIDANCE TO DISSOLVE THE ALTERNATE PENSION AND BENEFIT TRUST
 - C. DISCUSS AND POSSIBLE ACTION ON THE ELIMINATION OF CONTRIBUTION FROM THE CITY'S GENERAL FUND TO THE ALTERNATE PENSION AND BENEFIT TRUST FOR THE ANNUAL FIRE INSURANCE PREMIUM
 - D. ANNUAL REPORT ENDING JUNE 30, 2014
5. ADJOURNMENT

A copy of the agenda for the meeting will be available at the Cottonwood City Hall, 827 North Main Street, Cottonwood, Arizona, at least twenty-four (24) hours in advance of the meeting

Dated: December 17, 2014

CITY OF COTTONWOOD


JESUS R. RODRIGUEZ,
ADMINISTRATIVE SERVICES GENERAL MANAGER

AMENDED AGENDA

ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD, COTTONWOOD, ARIZONA, TO BE HELD DECEMBER 19, 2014, AT 1:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING - FIRE DEPARTMENT CONFERENCE ROOM, 199 SOUTH 6TH ST., COTTONWOOD, ARIZONA.

The amended agenda for the meeting is as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE DECEMBER 13, 2013 MEETING MINUTES
4. NEW BUSINESS:
 - E. DISCUSSION, UPDATE ON THE ALTERNATE PENSION AND BENEFIT TRUST DISSOLUTION
 - F. UPDATE ON THE USE OF TRUST MONIES TO HIRE CONSULTANT TO PROVIDE LEGAL GUIDANCE TO DISSOLVE THE ALTERNATE PENSION AND BENEFIT TRUST
 - G. DISCUSS AND POSSIBLE ACTION ON THE ELIMINATION OF CONTRIBUTION FROM THE CITY'S GENERAL FUND TO THE ALTERNATE PENSION AND BENEFIT TRUST FOR THE ANNUAL FIRE INSURANCE PREMIUM
 - H. ANNUAL REPORT ENDING JUNE 30, 2014
5. ADJOURNMENT

MINUTES OF THE ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD HELD DECEMBER 13, 2013 AT 12:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING FIRE DEPARTMENT CONFERENCE ROOM, 191 SOUTH 6TH ST., COTTONWOOD, ARIZONA

Fire Chief Mike Kuykendall called the meeting to order at 12:11 p.m. Roll call was taken as follows:

Roll Call

<u>Board Members - Present</u>	<u>Board Members - Vacant</u>	<u>Visitors</u>
Mike Kuykendall, Fire Chief	3 Vacancies	None
Diane Joens, Mayor		
Rudy Rodriguez, Board Secretary/Treasurer		

APPROVAL OF THE DECEMBER 20, 2012 MEETING MINUTES – Mayor Joens motioned to approve the minutes as presented and Chief Kuykendall seconded. The motion was approved unanimously.

New Business

DISCUSSION AND POSSIBLE ACTION ON THE FUTURE OF THE ALTERNATE PENSION AND BENEFIT TRUST - Mr. Rodriguez opened the meeting discussing the need to eliminate the trust as it is today since it no longer serves the purpose of which it was intended. Some of the items discussed was the lack of volunteer participation due to strict training requirements, volunteers there only until they get a job, difficulty meeting Board quorums with the lack of participants. Mention was made to protect the two current retirees, Terry Tasa and Eugene Ortiz. This item will be going to the City Council for their approval as well.

The Trustees present voted to disband the Trust. Chief Kuykendall made the motion to disband, Mayor Joens seconded. The vote was unanimous.

DISCUSS AND POSSIBLE ACTION ON THE USE OF TRUST MONIES TO HIRE CONSULTANT TO PROVIDE LEGAL GUIDANCE TO DISSOLVE THE ALTERNATE PENSION AND BENEFIT TRUST – Mr. Rodriguez discussed that with the motion to disband, there would be a need to hire special counsel to assist in the disbanding of the Trust as well as provide guidance on how best to dispose of the remaining funds being held in a suspense account. Our City Attorney recommends this action be taken in order to do it correctly. He is prepared with a few names to assist in this endeavor.

The City Attorney also checked and the payment for such counsel can be paid from trust funds. Chief Kuykendall made the motion and Mayor Joens seconded. The vote was unanimous.

DISCUSS AND POSSIBLE ACTION ON THE ELIMINATION OF CONTRIBUTION FROM THE CITY'S GENERAL FUND TO THE ALTERNATE PENSION AND BENEFIT TRUST FOR THE ANNUAL FIRE INSURANCE PREMIUM – Mr. Rodriguez presented the recommendation that the rescind Resolution #2360 eliminating the contribution from the City's General Fund to the Alternate Pension and Benefit Trust for the annual fire insurance premium, this amount being \$23,000 - \$30,000 annually.

There not being any cause to continue contributing to the APBT. Chief Kuykendall made the motion and Mayor Joens seconded. The vote was unanimous. This item will be going to the City Council for their approval.

ANNUAL REPORT ENDING JUNE 30, 2013 – Mr. Rodriguez presents the Trust’s Annual Report showing the total market value of the investments at \$188,195.31. Trust did well this year with overall gains of \$17,155.22. The Board also reviewed the investments and the distributions within the plan. The Board was also informed that all the investments were transferred from LPL to Ameritrade.

Treasurer Rodriguez also informed the Board that the state reports would be submitted to the State Fire Marshal’s office before the January 31st deadline.

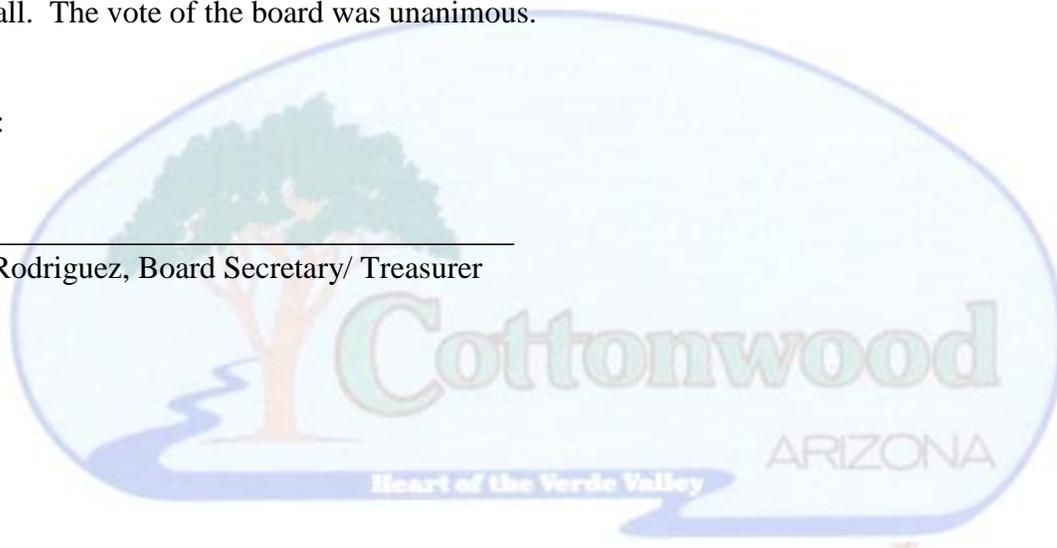
The Board voted to approve the Annual Report with Chief Kuykendall making the motion, and a second from Mayor Joens. The vote of the board was unanimous.

Adjournment

With no other business at hand, Mayor Joens made a motion to adjourn, and a second came from Chief Kuykendall. The vote of the board was unanimous.

ATTEST:

Jesus R. Rodriguez, Board Secretary/ Treasurer



To: Alternate Pension and Benefit Trust Board members

December 19, 2014

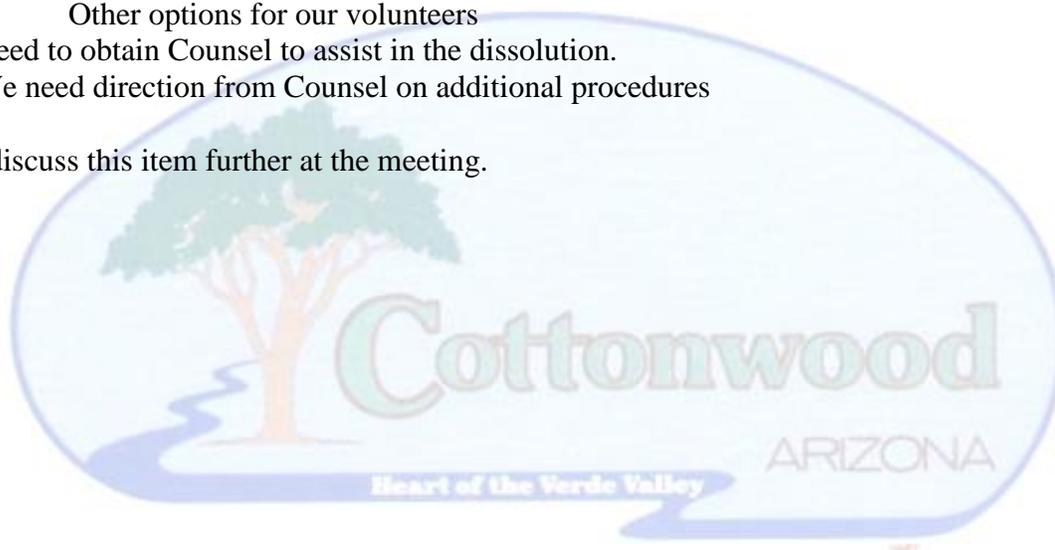
From: Rudy Rodriguez, Administrative Services General Manager & Board Secretary

Subject: Update on the Alternate Pension & Benefit Trust Dissolution

This item has fallen through the cracks. Here are some things that need to get done in order to move on with this project.

1. Council will need to appoint another member to the Trust to complete a quorum to vote on the dissolution
2. Council needs to rescind Resolution #2360 approving the Insurance Premium to go to the Trust
3. We need to contact the Fire Marshal's Office to get familiar with any implications of the dissolution, such as:
 - a. The effects of the dissolution on the Insurance Premium that the city currently gets
 - b. What can we do with these monies after the dissolution
 - c. Other options for our volunteers
4. Need to obtain Counsel to assist in the dissolution.
5. We need direction from Counsel on additional procedures

We will discuss this item further at the meeting.



To: Alternate Pension and Benefit Trust Board members

December 19, 2014

From: Rudy Rodriguez, Administrative Services General Manager & Board Secretary

Subject: Update on the use of trust monies to hire a consultant to provide legal guidance to dissolve the Alternate Pension & Benefit Trust

After discussion with Steve Horton, Esq., our city attorney, it was concluded that the Trust could expend resources to obtain special council to accomplish its dissolution. We have since retained David L. Niederdeppe, Esq. from Ryan, Rapp & Underwood, PLC to assist with the dissolution.

Both Steve Horton and I have talked with Mr. Niederdeppe on the topic of dissolution and it is a bit complex and tedious but attainable. The proposed fee is \$_____. We have worked on and off on this item, however, have not brought it to fruition.



February 6, 2014

Cottonwood Alternative Pension and Benefit Plan
c/o City Attorney Steve Horton
824 Main Street
Cottonwood, Arizona 86326

Re: Engagement and Retainer Agreement

Dear Mr. Horton:

Thank you for the selection of Ryan Rapp & Underwood, P.L.C., to represent the Cottonwood Alternative Pension and Benefit Plan ("the Plan"). We recognize that the Plan has a choice of legal counsel, and appreciate the confidence you have in our firm.

This letter is to confirm our understanding of the representation that Ryan Rapp & Underwood has undertaken on the Plan's behalf, its scope and the terms of our engagement. In addition, under our professional rules of ethics, we have an obligation to inform the Plan of the firm's billing practices. Experience has shown that a letter such as this is useful both to the client and to the firm to express our respective expectations and undertakings.

We ask that you and the Plan representatives carefully review this letter. It is intended to be a formal Retainer and Engagement Agreement. If it meets with the Plan's approval and understanding of our respective responsibilities and duties, please sign where indicated and return it to us. Your signature on this Agreement will confirm the Plan's consent to the terms contained herein.

SCOPE OF REPRESENTATION

We understand that Ryan Rapp and Underwood, P.L.C., has been retained to represent the Plan in connection with its ultimate disposition. The primary attorneys engaged in this representation will be David Niederdeppe and Kenny Kelley.

The attorneys will, as requested, attend meetings relating to the Plan, review materials prior to the meetings and, if necessary, monitor compliance with open meeting law for those meetings attended. The attorneys will, upon referral of a lawsuit or other legal matter by the Plan, provide any necessary legal representation to the Plan and any of its officers, employees, or agents as directed by the Plan. The attorneys agree to perform all necessary legal services,

including but not limited to investigation, legal research, preparation of legal memoranda, pleadings and briefs and making appearances before administrative tribunals and courts, in representing the Plan.

The Plan and its representatives, as our client, agree to cooperate with, and to timely provide assistance and requested documentation and information to us so that we may handle these legal matters on its behalf.

FEES AND COSTS AND RETAINER

All matters undertaken by the firm require that the client agree to terms of payment prior to the commencement of representation. We understand that the City of Cottonwood will front the fee expense in connection with this representation at least until the Plan has a properly constituted Board to authorize Plan expenditures. In consideration of our services in connection with this representation, the Plan agrees to pay Ryan Rapp and Underwood according to the terms set forth in this Agreement. Any litigation necessitated by this representation is, by its very nature, time consuming, uncertain and often expensive. While the firm will work diligently on the Plan's behalf, no predictions can be made as to the outcome of any particular matter. We normally send billings on a periodic basis, usually monthly. The periodic bills are to be paid upon presentation, and the amounts thereof are applied to the total fee. If the bills are not promptly paid, we reserve the right to withdraw from representation.

The normal fee arrangement of the firm is the "reasonable fee" arrangement which is based upon the criteria for reasonableness specified in the Arizona Rules of Professional Conduct. The factors set forth in the rules include the time required for tasks performed; the difficulty, novelty or complexity of the problem presented; the skill required to perform the services properly; the time constraints imposed by the clients or the nature of the matter; the amount involved and the results obtained for the clients; and the experience, reputation and ability of the lawyer or lawyers performing the service. We have established a normal hourly billing rate for each attorney and legal assistant, which is adjusted from time to time. Attorneys David Niederdeppe and Kenny Kelley will be the primary attorneys in this matter and their hourly billing rates for this representation are \$230.00 and \$175.00, respectively. If necessary, other attorneys may be involved in the matter and if that occurs, his/her hourly billing rate will be disclosed to you prior to that attorney commencing work on your cases. In addition to attorneys, there may be legal assistants involved in the matter. The firm's legal assistants are typically billed at rates between \$75 and \$150 per hour. In most circumstances, the total fee billed to the clients will be calculated primarily on the basis of the hourly rates and the amount of time expended for all attorneys and legal assistants involved in the matter. Such hourly totals, however, may be adjusted at the end of any particular case (and occasionally on an interim basis) to take account of the various factors described above.

For some cases, the fee arrangement may be a fixed hourly, fixed project, flat, or such other arrangement as is set forth in writing between the clients and the primary attorney

performing the work. In certain instances, modified or hybrid fee calculations may be appropriate as well. For example, in instances where the result achieved is particularly beneficial or advantageous to the clients when viewed against the amount(s) at stake or in controversy, the efforts expended and other like factors, the application of a "value billing" methodology above and beyond the base or customary hourly billing agreement may be appropriate. Of course, any such hybrid or value billing arrangement will be utilized only after prior consultation with, and concurrence of, the clients.

In addition to fees for legal services, the firm may incur various costs and expenses in performing legal services under this Agreement. These expenses will be itemized in our billing statements. Costs and expenses include, without limitation, filing fees, messenger and process services, special mailing expenses, express mail services, copying charges and other reproduction costs charged by an outside agency or vendor, expert fees, Westlaw research, long distance telephone calls, travel expenses and court reporter charges. We may send larger copying jobs to an outside copying service and charge the Plan for such service. We may ask that the Plan pay court reporters' fees, outside copying charges and other large charges directly to the provider of the service.

To aid in the representation, our firm and the Plan may agree that hiring expert witnesses, appraisers, accountants, consultants or investigators is necessary. Our firm will select such outside experts or entities, after consultation with the Plan. The Plan authorizes us to retain and the Plan agrees to pay the fees or charges of these persons or entities hired by us, either directly to the outside person or entity, or to the firm, as appropriate.

In the event that the Plan is involved in litigation, it may be possible to seek an award of the Plan's attorneys' fees and costs from the opposing party. We will pursue such an award if appropriate, but we cannot and will not look to such an award as a source of payment for amounts owed to the firm under this Agreement. The Plan is responsible for paying the fees and costs as set forth in this Agreement. If attorneys' fees and costs are awarded, we will reimburse the Plan for the amount of the award, or apply the award to fees and costs that are still being accrued or owing.

We ask and expect payment of our billings on a current basis because delayed payments add to our overall costs of providing services to all of our clients. To avoid burdening our clients who do pay promptly with these additional overhead costs, we reserve the right to charge interest on any balance which is not paid by the end of the month following the month in which the firm's billing statement is dated. Unless otherwise agreed, payment of each monthly billing statement is due upon receipt.

CORRESPONDENCE, PLEADINGS AND DOCUMENTS

As a matter of course, the firm will forward to the Plan copies of key correspondence, and any court pleadings and documents generated or received by us concerning the legal matter

being handled. This is an inexpensive and routine way to keep our clients advised of important developments and the status of the matter as it progresses. The Plan should review the documents sent to them and contact us with any questions or comments about them. All communications to the Plan are directed to the addresses provided to us. Because communications between the Plan and the firm are critical, we must be kept informed of any changes in address, telephone number, and e-mail as appropriate.

RETENTION OF FILES AND FILE DESTRUCTION

Given the number of client matters the firm handles, the indefinite retention of each client's file is impractical. Therefore, once any particular matter is completed, the file will be marked "closed" by the firm. The Plan has a right to obtain a copy of the files at any time, but given the firm's routine practice of copying clients with correspondence, pleadings and documents, the firm will only copy those documents the Plan has not already been sent. Original documents will be returned to the Plan upon the closing of the file. If the Plan needs another copy of the file after receiving copies from the firm, we will charge for the cost to re-copy the file. By executing this Agreement, you give the firm the Plan's permission to destroy any files once they have remained closed, with no material activity, for a period of seven years.

CONFLICT OF INTEREST

The firm has conducted an internal conflict of interest check based upon the names of the persons and/or entities provided to us by you. No conflict of interest has appeared from this internal conflict check. The Plan agrees to continue to provide any additional information to the firm regarding the names and identities of any other person or entity involved, or which may become involved, in any matters for which we provide representation.

TERMINATION OF REPRESENTATION AND CONCLUSION OF MATTERS

Once the representation of the Plans in the matters described in this Agreement concludes, the firm will have no continuing obligation to represent the Plan in any matter beyond the scope of representation as described herein unless an agreement for continued representation is reached.

The Plan has the right to terminate the firm's representation with or without cause. However, should the Plan determine to terminate our services, it must notify us in writing of the termination. Termination of our services does not negate any fees or costs owed to the firm in the representation.

The firm reserves the right to withdraw as set forth herein if our fees are not paid on a timely basis. The firm also reserves the right to withdraw for any reason permitted or required under the Arizona Code of Professional Responsibility. In the event the firm determines to

terminate the representation, the Plans will be notified in writing as to the termination, and agree to execute an approval of a Motion to Withdraw or Substitution of Counsel, if applicable. In that event, the firm will cooperate in transitioning the matter to another attorney as appropriate.

After the Plan representatives have had an opportunity to review this Agreement, please sign it where indicated and return it to me for our file. The firm's attorneys will generally not proceed to work for a client beyond the initial consultation and initial research until a signed Agreement is received from the Plan. In the event that legal services have been performed and costs expended on the Plan's behalf, it is obligated to the firm for the value of such services and costs.

We recognize that this Agreement has a formal tone, but we believe that a complete understanding of our business relationship helps to assure a mutually beneficial attorney-client relationship. We appreciate this opportunity to be of assistance and look forward to working with the Plan.

Very truly yours,

RYAN RAPP & UNDERWOOD, P.L.C.



David L. Niederdeppe

I have read and understand the foregoing terms set forth in the Ryan Rapp & Underwood, P.L.C. Engagement and Retainer Agreement, and approve and agree to them as of the date that Ryan Rapp & Underwood, P.L.C., first provided services to the Plan.

COTTONWOOD ALTERNATIVE PENSION AND BENEFIT PLAN

By: _____

Date: _____

Printed Name: _____

Its: _____

To: Alternate Pension and Benefit Trust Board members December 19, 2014

From: Rudy Rodriguez, Administrative Services General Manager & Board Secretary

Subject: Discussion and possible action on the elimination of contribution from the City's General Fund to the Alternate Pension and Benefit Trust for the annual fire insurance premium

We have continued the contribution into the pension fund for this year and will work on getting this on a future agenda for council approval. Further discussion at the meeting.



RESOLUTION NUMBER 2360

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AUTHORIZING REGULAR CONTRIBUTIONS TO THE CITY'S ALTERNATE PENSION BENEFITS TRUST IN DIRECT PROPORTION TO ANY AND ALL REFUNDS/CREDITS RECEIVED FROM THE CITY'S FIRE INSURANCE PREMIUM.

WHEREAS, the City receives invaluable service from its Volunteer Firefighters;
and

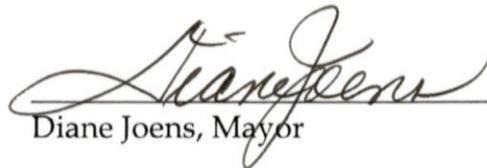
WHEREAS, the Council realizes that having Volunteer Firefighters greatly enhances fire safety within the City, and that enhanced fire safety has a direct and beneficial effect on the City's fire insurance rating and premiums; and

WHEREAS, the City seeks (1) to recognize and reward the service of its Volunteer Firefighters; (2) to encourage its Volunteer Firefighters to remain in the service of the City; and (3) to entice other qualified individuals to serve as Volunteer Firefighters;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Effective July 1, 2007, unless otherwise provided by the City Council, any and all premium refunds/credits received or realized from the City's fire insurance coverage shall be paid into the City's Alternate Benefits Pension Plan or any successor program designated by the City Council for the benefit of the City's Volunteer Firefighters.

PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, THIS 18TH DAY OF MARCH 2008.



Diane Joens, Mayor

APPROVED AS TO FORM:



Steve Horton, Esq., City Attorney
Mangum, Walls, Stoop & Warden, P.L.L.C.

ATTEST:



Marianne Jiménez, City Clerk

To: Alternate Pension & Benefits Fund Board Members December 19, 2014

From: Rudy Rodriguez, Administrative Services General Manager & Board Secretary

Subject: Annual Report - Alternate Pension & Benefit Fund

Attached for Board approval is the Annual Report for the Alternate Pension & Benefit Fund as of June 30, 2014. The market value of the volunteer's portfolio as on June 30, 2013 was \$188,198.31 and is broken down as depicted below

ITEM DESCRIPTION	@ 06/30/2013	@ 06/30/2014
Fund Balance – Cash & Cash Equivalents	\$105,941.56	\$115,166.97
Investments	93,815.17	101,179.69
Due to City General Fund	-11,561.42	-0.00
Trust Balance	\$188,195.31	\$216,346.66
Prior Years Unallocated Fire Premium Insurance ¹	0.00	0.00
Adjusted Trust Balance	\$188,195.31	\$216,346.66
Market Value of Account, June 30, 2013		\$188,195.31
Adjustments:		
Premium Tax Contribution ²	23,862.07	
EE/ER Contributions	159.83	
457 Def Comp Contributions	754.49	
Distributions	-6,923.31	
Total Adjustments		17,853.08
Balance		\$206,048.39
Market Value of Account, June 30, 2014		\$216,346.66
Net Change in Value		\$10,298.27

The Trust had interest/dividend income of \$1,663.32 during the course of the year. Fees and IRS taxes totaled \$5,032.33, and gains of \$13,667.28. The total change in net value taking all of these changes into consideration was \$10,298.27. All this activity produced a net market value of the overall portfolio of \$216,346.66.

¹ There is no unallocated Fire Premium Insurance due.

² The amount of fire premium is reflected here for the year ending June 30, 2013.

As a reminder, a couple of years ago, the Board set up a reserve account to be distributed at the board's discretion. That fund has grown from \$171,956.87 on June 30, 2013 to \$213,899.78 as of June 30, 2014.

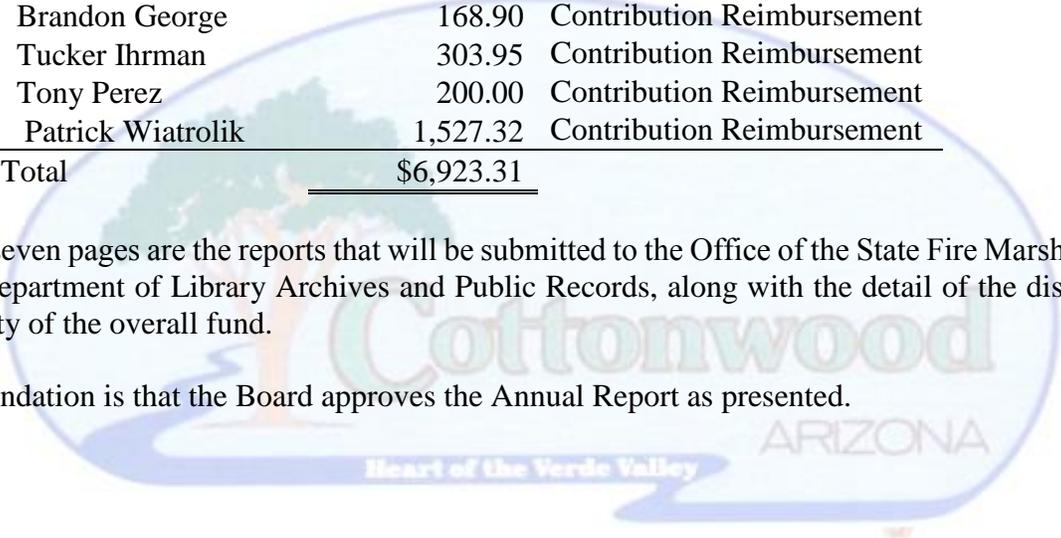
There were two individuals that retired some time back and continue to be reflected in the plan.

The following disbursements are presented for Board approval:

Payee	Amount	Reason
<u>Retirees</u>		
Eugene Ortiz	\$1,800.00	Retirement Benefits
Terry Tasa	1,800.00	Retirement Benefits
<u>Reimbursements</u>		
	0.00	
Eric Altheide	145.66	Contribution Reimbursement
Chris Doerksen	482.50	Contribution Reimbursement
Nic Garcia	336.56	Contribution Reimbursement
Sean Guth	158.42	Contribution Reimbursement
Brandon George	168.90	Contribution Reimbursement
Tucker Ihrman	303.95	Contribution Reimbursement
Tony Perez	200.00	Contribution Reimbursement
Patrick Wiatroluk	1,527.32	Contribution Reimbursement
Total	\$6,923.31	

The next seven pages are the reports that will be submitted to the Office of the State Fire Marshall's Office and the Department of Library Archives and Public Records, along with the detail of the disbursements and activity of the overall fund.

Recommendation is that the Board approves the Annual Report as presented.



REPORT OF VOLUNTEER FIRE FIGHTERS RELIEF AND PENSION FUND

This form is for use by fire departments and fire districts that maintain a fund for fire fighters
NOT covered by the Arizona Public Safety Personnel Retirement System.

Page 1

Name of Department or District Cottonwood Fire District Alternate Pension/Benefit Plan

Report of Fund Year Ended June 30, 2014

Signature of Secretary _____ Printed Name _____

Business Address 191 So. 6th St/ City: Cottonwood Arizona Zip Code 86326

Business Hours Telephone Number _____ Email Address _____

Type of Fund: A.R.S. Title 9, Chapter 8, Article 3 Volunteer Fund Investments managed by FFRPF Treasurer h
 A.R.S. Title 9, Chapter 8, Article 4 Volunteer Fund Investments managed by Purchased Alternate Pension Plan u
 A.R.S. Title 38, Chapter 5, Article 4 Public Safety Personnel Retirement System u

(Checked Box(es))

Revenues:

Monies received from 2% premium	
Tax distribution/Company	23,862.07
Interest earnings	10,274.79
Employee/Employer Contributions	159.83

Total

Revenues..... 34,296.69

Expenditures:

Refund payments	
Relief payments	
Disability payments	
Death Benefit payments	
Article 3 Pension payments	
Article 4 Pension payments (paid/volunteer) (paid/volunteer)	-3,601.45
Payment to Private Fire Company Which covers pension liability	
Professional Services (legal, auditing, etc.)	

Total

Expenditures..... -3,601.45

Excess of Revenue over/under Expenditures..... 30,695.24

Year's Beginning Balance..... 184,176.89

Year's Ending Balance..... \$214,872.13

"Notwithstanding the provisions of Subsection A and C of this Section, if the board of trustees of a fire district assumes the responsibility for investing and reinvesting the funds pursuant to Section 9-957, Subsection B, the duties of the treasurer may be performed by a member of the board elected by the board. If the duties of the treasurer are performed by a member of the board, he shall be bonded for an amount determined by the board which amount shall not be less than the maximum amount of funds in the account at any one time during the previous year."

If a member of the board of trustees is treasurer of the fund, you must attach current PROOF OF BOND A.R.S. 9-955.D

SECRETARY'S REPORT OF FIRE FIGHTERS RELIEF AND PENSION FUND

Page 2

FUND DISTRIBUTIONS AUTHORIZED DURING FISCAL YEAR 2014

Types of distribution include REFUND, RELIEF, DISABILITY, DEATH BENEFIT, ARTICLE 3 PENSION, OR ARTICLE 4 PENSION. Under A.R.S. Title 9, Chapter 8, you **must** list name of each beneficiary and amount distributed to each account. Please make sufficient copies to meet your needs or attach a separate list (report).

TYPE OF DISTRIBUTION	NAME OF BENEFICIARY	AMOUNT DISTRIBUTED
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Retirement Benefits	Eugene Ortiz	\$1,800.00
Retirement Benefits	Terry Tasa	\$1,800.00
Contribution Reimbursement	Eric Altheide	\$145.66
Contribution Reimbursement	Chris Doerksen	\$482.50
Contribution Reimbursement	Nic Garcia	\$336.56
Contribution Reimbursement	Sean Guth	\$158.42
Contribution Reimbursement	Brandon George	\$168.90
Contribution Reimbursement	Tucker Ihrman	\$303.95
Contribution Reimbursement	Tony Perez	\$200.00
Contribution Reimbursement	Patrick Wiatroluk	\$1,527.32
TOTAL		\$6,923.31

ANNUAL AUDIT. The board shall cause an annual audit and report of the fund. (A.R.S. 9-956. Subsection A.)

The law no longer requires an audit by a certified public accountant; however the audit cannot be done by a member of the Pension Fund Board of Trustees nor by a potential beneficiary of the pension fund. It must be done by an outside source.

REPORTING REQUIREMENTS

**A COPY OF THIS REPORT AND A COPY OF THE ANNUAL AUDIT SHALL BE SENT TO:
(A.R.S. 9-956, Subsection C).**

Office of the State Fire Marshal, 1110 West Washington, Suite #100, Phoenix, Arizona 85007.

If the annual pension fund report is not received by the state fire marshal by the CLOSE OF BUSINESS ON January 31 the participating fire district is not eligible to receive its share of fire insurance premium tax monies under section 9-952. A.R.S. 9-956, (D).

Cottonwood Volunteer Fire Department Retirement Trust

Statement of Fund Balances
For the plan year ending June 30, 2014

Assets:

Cash	LPL Cash Account	610.18
	LPL Money Market #4580-1266	860.19
	TD Ameritrade Money Market	129,655.74
	Am Funds Money Market	600.00
	City Account	-16,850.73
	Accrued 457/ER Contribution	<u>291.59</u>
	Total Cash	115,166.97

Investments

	Conestoga Funds Small Cap Fund	3,517.41
	Dodge & Cox Funds Intl Stk Fund	9,262.55
	Dodge & Cox Funds Income Fund	12,905.48
	Dodge & Cox Funds Stock Fund	25,923.55
	Fidelity Hi Income	7,540.87
	Fidelity Secs Fund Blue Chip Growth	25,789.13
	Fidelity Secs Fund Real Estate Inc Fund	7,310.78
	Primecap Odyssey Aggressive Growth	4,835.63
	Tocqueville Delafield Fund	<u>4,094.28</u>
	Total Investments	<u>101,179.69</u>
	Total Assets	<u>216,346.66</u>

Liabilities and Equities

	Participant's Equities	216,346.66
	Total Liabilities and Equities	<u>216,346.66</u>

Cottonwood Volunteer Fire Department Retirement Trust

*Statement of Fund Balances
For the plan year ending June 30, 2014*

Market Value of Account, June 30, 2013 188,195.31

Adjustments:

Premium Tax Contributions/Company Cont.	23,862.07
Employee Contributions	0.00
Employer Contributions	159.83
457 Def Comp Contributions	754.49
Distributions	<u>-6,923.31</u>

Total Adjustments 17,853.08

Balance 206,048.39

Market Value of Account, June 30, 2014 216,346.66

Net Change in Value 10,298.27

Summary of Changes

Income:

Interest and Dividends	1,663.32	
Other Income	<u>0.00</u>	
Total Income		1,663.32

Expense:

Fees	-5,032.33	
Taxes to IRS	<u>0.00</u>	
Total Expense		-5,032.33

Market Value Changes:

Realized Gains(losses)	0.00	
Unrealized Gains(losses)	<u>13,667.28</u>	
Total Change in Market Value		<u>13,667.28</u>

Net Change in Value 10,298.27

COTTONWOOD FIRE DEPARTMENT ALTERNATE PENSION & BENEFIT PLAN
STATEMENT OF ACCOUNTS
For the Period 07/01/13 to 06/30/14

Name		Begin						End	Years	Vest	Vested
Account	ST	Balance	Units	Contributions	Earnings	Forfeitures	Payouts	Balance	Service	%	Balance

ALTHEIDE, ERIC											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		145.66		0.00	0.00	-145.66	0.00	0.00		0.00%	0.00
457 DEF COMP		145.66		0.00	0.00	0.00	-145.66	0.00		100.00%	0.00
TOTAL		291.32		0.00	0.00	-145.66	-145.66	0.00			0.00
BISHOP, TIM											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		0.00		0.00	0.00	0.00	0.00	0.00		0.00%	0.00
457 DEF COMP		5.39		0.00	0.32	0.00	0.00	5.71		100.00%	5.71
TOTAL		5.39		0.00	0.32	0.00	0.00	5.71			5.71
BOYD, JUDY											
COMPANY	A	1,591.00	0.00	0.00	94.05	0.00	0.00	1,685.05	12.00	100.00%	1,685.05
EE ACCT		79.08		0.00	4.67	0.00	0.00	83.75		100.00%	83.75
ER ACCT		153.98		0.00	9.10	0.00	0.00	163.08		100.00%	163.08
457 DEF COMP		149.83		0.00	8.86	0.00	0.00	158.69		100.00%	158.69
TOTAL		1,973.89		0.00	116.68	0.00	0.00	2,090.57			2,090.57
CONTRERAS, RYAN											
COMPANY	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		0.00		0.00	0.00	0.00	0.00	0.00		0.00%	0.00
457 DEF COMP		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
TOTAL		0.00		0.00	0.00	0.00	0.00	0.00			0.00
DOERKSEN, CHRIS											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		5.00		25.00	0.00	-28.55	-1.45	0.00		0.00%	0.00
457 DEF COMP		96.21		384.84	0.00	0.00	-481.05	0.00		100.00%	0.00
TOTAL		101.21		409.84	0.00	-28.55	-482.50	0.00			0.00
GARCIA, NIC											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		178.88		0.00	0.00	-178.88	0.00	0.00		0.00%	0.00
457 DEF COMP		336.56		0.00	0.00	0.00	-336.56	0.00		100.00%	0.00
TOTAL		515.44		0.00	0.00	-178.88	-336.56	0.00			0.00
GUTH, SEAN											
COMPANY	TB	5,000.00	0.00	0.00	0.00	-5,000.00	0.00	0.00	1.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		158.42		5.00	0.00	-163.42	0.00	0.00		0.00%	0.00
457 DEF COMP		158.42		5.00	0.00	0.00	-158.42	5.00		100.00%	5.00
TOTAL		5,316.84		10.00	0.00	-5,163.42	-158.42	5.00			5.00

COTTONWOOD FIRE DEPARTMENT ALTERNATE PENSION & BENEFIT PLAN
 STATEMENT OF ACCOUNTS
 For the Period 07/01/13 to 06/30/14

Name		Begin						End	Years	Vest	Vested
Account	ST	Balance	Units	Contributions	Earnings	Forfeitures	Payouts	Balance	Service	%	Balance

GEORGE, BRANDON											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		185.70		0.00	0.00	-185.70	0.00	0.00		0.00%	0.00
457 DEF COMP		185.70		0.00	0.00	0.00	-168.90	16.80		100.00%	16.80
TOTAL		371.40		0.00	0.00	-185.70	-168.90	16.80			16.80
IHRMAN, TUCKER											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		30.39		0.00	0.00	-30.39	0.00	0.00		0.00%	0.00
457 DEF COMP		303.95		0.00	0.00	0.00	-303.95	0.00		100.00%	0.00
TOTAL		334.34		0.00	0.00	-30.39	-303.95	0.00			0.00
O'NEIL, SHAY											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		35.39		0.00	2.09	0.00	0.00	37.48		0.00%	0.00
457 DEF COMP		30.39		0.00	1.80	0.00	0.00	32.19		100.00%	32.19
TOTAL		65.78		0.00	3.89	0.00	0.00	69.67			32.19
RAMIREZ, CARSON											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		0.00		0.00	0.00	0.00	0.00	0.00		0.00%	0.00
457 DEF COMP		105.46		0.00	6.23	0.00	0.00	111.69		100.00%	111.69
TOTAL		105.46		0.00	6.23	0.00	0.00	111.69			111.69
ORTIZ, EUGENE L.											
COMPANY	R	0.00	0.00	1,800.00	0.00	0.00	-1,800.00	0.00	25.00	100.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
457 DEF COMP		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
TOTAL		0.00		1,800.00	0.00	0.00	-1,800.00	0.00			0.00
PEREZ, TONY											
COMPANY	IS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		5.00		15.00	0.00	-20.00	0.00	0.00		0.00%	0.00
457 DEF COMP		50.00		150.00	0.00	0.00	-200.00	0.00		100.00%	0.00
TOTAL		55.00		165.00	0.00	-20.00	-200.00	0.00			0.00
RICE, NORMAN CHRIS											
COMPANY	TB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
EE ACCT		0.00		0.00	0.00	0.00	0.00	0.00		100.00%	0.00
ER ACCT		5.00		15.00	0.30	0.00	0.00	20.30		0.00%	0.00
457 DEF COMP		5.00		15.00	0.30	0.00	0.00	20.30		100.00%	20.30
TOTAL		10.00		30.00	0.60	0.00	0.00	40.60			20.30

