



January 30, 2008

Office of the State Fire Marshal  
1110 W. Washington, Suite #100  
Phoenix, AZ 85007-2935

RE: Annual Report for the City of Cottonwood Volunteer Firefighters Pension & Relief Fund

Enclosed are the required annual reports for the Alternate Pension and Benefit Plan Fund for the City of Cottonwood Fire Department and the Annual Meeting information.

Our Annual Audit has been completed; however, the Comprehensive Annual Financial Report will not be ready until late March. I will forward it to you as it becomes available. If there is anything missing from these submitted reports, please call me at (928) 634-0060, ext 202.

Best regards,

Jesus R. Rodriguez, CGFM  
Finance Director, Board Secretary

xc: Mike Casson, Cottonwood Fire Chief  
Department of Library Achives



January 30, 2008

Department of Library  
Archives & Public Records  
State Capital, 1700 W. Washington  
Phoenix, AZ 85007

RE: Annual Report for the City of Cottonwood Volunteer Firefighters Pension & Relief Fund

Enclosed are the required annual reports for the Alternate Pension and Benefit Plan Fund for the City of Cottonwood Fire Department and the Annual Meeting information.

Our Annual Audit has been completed; however, the Comprehensive Annual Financial Report will not be ready until late March. I will forward it to you as it becomes available. If there is anything missing from these submitted reports, please call me at (928) 634-0060, ext 202.

Best regards,

Jesus R. Rodriguez, CGFM  
Finance Director, Board Secretary

xc: Mike Casson, Cottonwood Fire Chief  
Office of the Fire Marshall

**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 18, 2007  
12:00 P.M.  
Public Safety Building Fire Department Conference Room  
199 S. 6<sup>th</sup> Street  
Cottonwood, Arizona

The agenda for the meeting is as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE MINUTES – OCTOBER 04, 2007
4. NEW BUSINESS:
  - a. CALL FOR ELECTION – VOLUNTEER PENSION PLAN BOARD OF TRUSTEES
  - b. ELECTION RESULTS FOR THE VOLUNTEER PENSION PLAN BOARD OF TRUSTEES
  - c. PRESENTATION OF ANNUAL REPORT – PENSION FUND
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 14, 2007

CITY OF COTTONWOOD



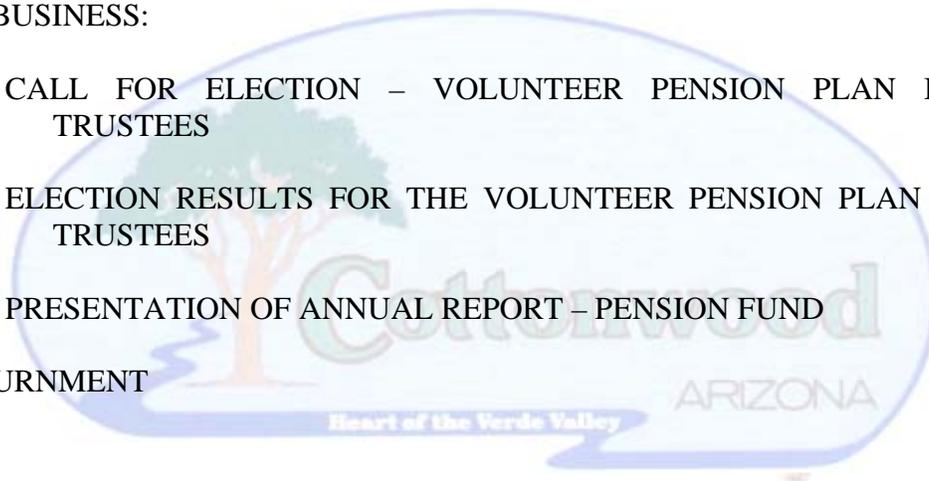
---

Jesus R. Rodriguez, Finance Director

## AGENDA

**ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD, COTTONWOOD, ARIZONA, TO BE HELD DECEMBER 18, 2007 AT 12:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING - FIRE DEPARTMENT CONFERENCE ROOM, 199 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE MINUTES – OCTOBER 04, 2007
4. NEW BUSINESS:
  - a. CALL FOR ELECTION – VOLUNTEER PENSION PLAN BOARD OF TRUSTEES
  - b. ELECTION RESULTS FOR THE VOLUNTEER PENSION PLAN BOARD OF TRUSTEES
  - c. PRESENTATION OF ANNUAL REPORT – PENSION FUND
5. ADJOURNMENT



MINUTES OF THE ANNUAL BOARD OF THE CITY OF COTTONWOOD ALTERNATE  
PENSION AND BENEFIT PLAN BOARD HELD OCTOBER 04, 2007 AT 12:00 P.M. AT  
THE COTTONWOOD PUBLIC SAFETY BUILDING  
FIRE DEPARTMENT CONFERENCE ROOM,  
191 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA

---

Chief Casson started the meeting at 12:09 p.m. Roll call was taken as follows:

**Board Members Present**

Mike Casson, Fire Chief  
Rudy Rodriguez, Board Secretary/Treasurer  
Diane Joens, Mayor  
Pete Bailey, Firefighter  
Spencer Young, Firefighter (arrived at 12:29 p.m.)  
Bob Bouwman, Firefighter

**Board Members Absent**

**Visitors**

Larry Innes, Innes Associates

**Approval of the Board Minutes of August 07, 2007**

Board member Bouwman made the motion to approve the minutes as presented. Board member Bailey seconded the motion and was approved unanimously.

**Old Business**

None

**New Business**

**PRESENTATION BY INNES AND ASSOCIATES, CIENT AGREEMENT** - Larry Innes made a presentation concerning the Strategic Asset Management (SAM) needed to properly continue doing the investment function for the Pool. This agreement shifts the liability from the Board to the Investment Manager. After some discussion, ex-officio member Rodriguez made a motion to enter into an agreement via a SAM with Innes and Associates to be the Pool's Investment Manager. Board member young seconded and was approved unanimously. It was also directed that Chief Casson and Finance Director Rodriguez be the signers on the agreement.

**UPDATE OF RECENT DISTRIBUTIONS FROM THE POOL** – Board member Rodriguez updated the Pool on recent events concerning distributions. Rodriguez noted that the amount originally noted as almost \$40,000 distribution for this year was actually only \$26,179 and going to one member; Pete Bailey. The difference was from a prior year's distribution that was delayed in getting over to Innes Associates for allocation.

The difference is actually monies due to other members that have already departed from service to the Cottonwood Fire Department. These members will be contacted and a distribution will be forthcoming. The total breakdown will be presented at the Annual Meeting in December.

CHANGES TO THE DISTRIBUTION FORMULA CALCULATIONS/CHANGES TO THE PLANS OFFICIAL BEGIN DATE/ESTABLISHMENT OF RESERVE FUND – The board combined a couple of agenda items because of the effect of one with another. The Board agreed that the begin date of al member would be from date of employment rather that a full plan year following their hire, which could potentially have a two year lag effect.

The changes in the formula calculation was to include all members in the distribution instead of only those that make over the 100 points qualifying them for a part of any distributions. These members not making their qualifying 100 points however will not get a distribution. Their amount will be placed in a reserve or suspense account for future distribution. The board agreed that something was needed, however, directed staff to work up a couple of plans prior to the next meeting for presentation and determination. Staff agreed to do just that.

ESTABLISHMENT OF MARKETING FUND – The request was to set aside a fund for marketing the plan as part of the recruiting function for Volunteers to the service. This was not necessary according to the various members and the item dies for lack of support.

ADJOURNMENT - With no other business at hand, Board Member Bailey moved that the meeting be adjourned. This was seconded by board member Young and a unanimous vote ensued.

ATTEST:

---

Jesus R. Rodriguez, Board Secretary/ Treasurer

TO: All Cottonwood Volunteer Firefighters  
FROM: Mike Casson, Fire Chief  
SUBJECT: Call for Election - Volunteer Pension Plan Board of Trustees  
DATE: November 28, 2007

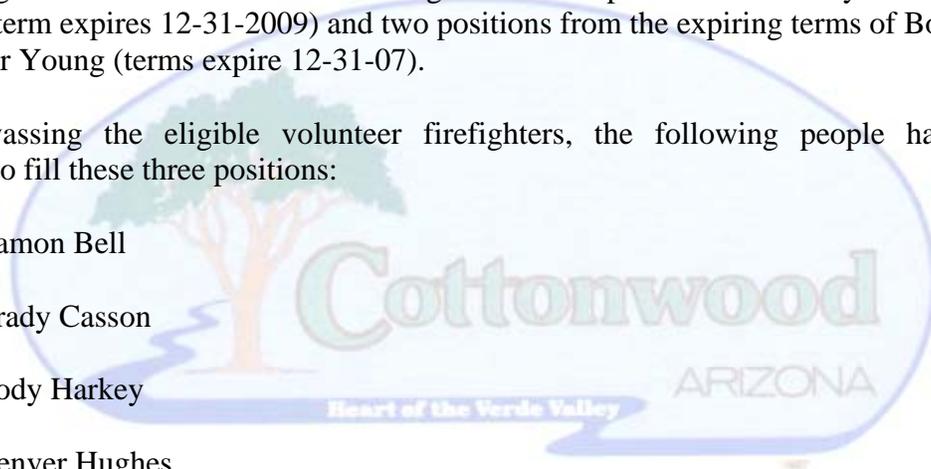
The Volunteer Pension Board of Trustees consists of the Mayor (or her designee), the Fire Chief, the Finance Director and four Firefighters. The four Firefighters serve four year staggered terms.

The Firefighter Trustees shall be elected by the Firefighters in the Department.

I am calling for an election to fill one Firefighter Trustee position vacated by the resignation of Joe Odell (term expires 12-31-2009) and two positions from the expiring terms of Bob Bouwman and Spencer Young (terms expire 12-31-07).

After canvassing the eligible volunteer firefighters, the following people have declared candidacy to fill these three positions:

- Ramon Bell
- Brady Casson
- Cody Harkey
- Denver Hughes
- Ian James
- Dave Vogel



**Cast your vote for three** by checking the circle next to those three candidates you wish to fill the positions and turn this in to Cheryl no later than noon on Monday, December 10<sup>th</sup>.

The top vote getter shall immediately fill the term expiring on December 31<sup>st</sup>, 2009 and needs to attend our annual meeting on December 18<sup>th</sup>. The next two top vote getters shall fill the two terms expiring on December 31<sup>st</sup>, 2011 and shall assume their positions on January 1<sup>st</sup>, 2008. These two individuals will be invited to attend our annual meeting on December 18<sup>th</sup> and will be introduced to the board.

TO: Rudy Rodriguez, Finance Director  
FROM: Mike Casson, Fire Chief  
SUBJECT: Election Results for the Volunteer Pension Plan Board Trustees  
DATE: December 14, 2007

Six firefighters declared candidacy to fill the position vacated by the resignation of Joe Odell (term expires 12-21-2009) and the two positions expiring on 12-31-2007.

- Ramon Bell
- Brady Casson
- Cody Harkey
- Denver Hughes
- Ian James
- Dave Vogel

The election was concluded on this date with 17 of the 18 eligible members voting. The top vote getter was Brady Casson with 14 votes and he will immediately fill Joe Odell's unexpired term through 12-31-2009. Ian James and Dave Vogel were elected as well with 8 votes each and will fill the positions being vacated by Bob Bouwman and Spencer Young and their terms will run through 12-31-2011.

Effective January 1, 2008, the board members will be as follows:

- Mayor Diane Joens - President
- Fire Chief Mike Casson - Ex Officio
- Finance Director Rudy Rodriguez - Ex Officio

	<u>Term Expires</u>
• Firefighter Pete Bailey	12-31-09
• Firefighter Brady Casson	12-31-09
• Firefighter Ian James	12-31-11
• Firefighter Dave Vogel	12-31-11

To: Alternate Pension & Benefits Fund Board Members December 18, 2007

From: Rudy Rodriguez, Finance Director & 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, 2007.

The market value of the volunteer's portfolio as on June 30, 2007 was \$125,845.69, an increase of \$8,513.92 over last year. Fred Hayman retired during the plan year ending June 30, 1997 and his account is segregated as reflected below. Mr. Hayman's account reflects an increase of \$7,118.78 over the previous year. The combined fund balance as of June 30, 2007 was \$162,658.43.

ITEM DESCRIPTION	@ 06/30/2006	@ 06/30/2007
Fund Balance – Volunteers	\$59,046.93	\$70,362.67
Segregated Account for Fred Hayman	29,693.96	36,812.74
Cash & Cash Equivalents <sup>1</sup>	44,463.13	63,929.28
Due to City General Fund	-8,446.26	-8,446.26
Trust Balance	\$124,757.76	\$162,658.43
Prior Years Unallocated Fire Premium Insurance <sup>2</sup>	22,267.97	
Adjusted Trust Balance	\$147,025.73	

The premium tax contribution to the plan for FYE 06/30/07 was received too late to be posted into these financial statements, however, that amount when received was \$147.42 and has since been forwarded to Innes for proper distribution.

There were two individuals that retired some time back and continue to be reflected in the plan. Eugene L. Ortiz and Terry R. Tasa continue to receive \$150 a month during the plan year totaling \$1,800 each, or \$3,600. The City of Cottonwood General Fund as part of an agreement contributes this amount.

<sup>1</sup> That amount of the prior year's fire premium is reflected in the cash & cash equivalents for the year ending June 30, 2007, hence the large increase in this line.

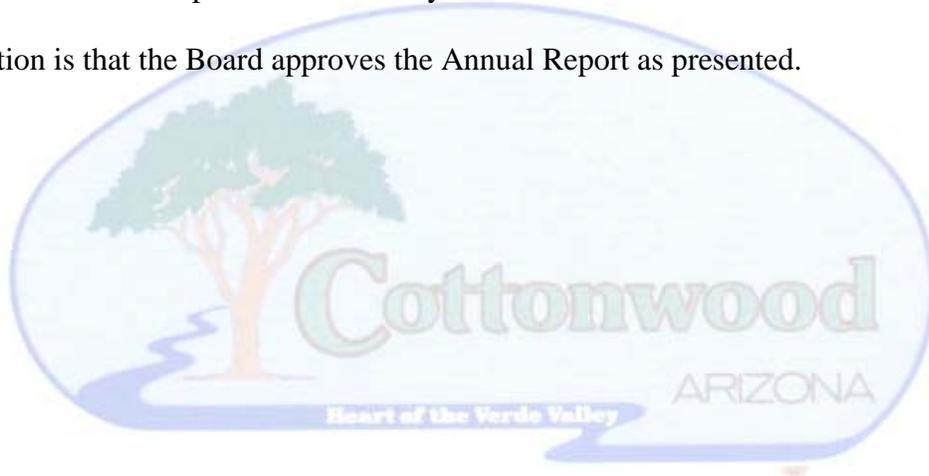
<sup>2</sup> The premium tax contribution to the plan for FYE 06/30/06 was received very late and subsequently not posted on a timely basis.

Following are the investments broken down by the various funds used by Innes Associates and compared to the close of the previous year:

<b>Fund Description</b>	<b>@ 06/30/2006</b>	<b>@ 06/30/2007</b>
<b><u>Volunteer Pension Fund</u></b>		
Income Fund of America	\$15,602.39	\$18,837.55
Bond Fund of America	15,699.55	14,364.23
Growth Fund of America	13,367.97	17,062.59
Euro pacific Growth Fund	14,377.02	20,098.30
Total Volunteer Pension Fund Investment	<u>\$59,046.93</u>	<u>\$70,362.67</u>
<b><u>Fred Hayman</u></b>		
Euro pacific Growth Fund	12,670.54	20,708.55
Income Fund of America	12,252.15	16,104.19
Total Fred Hayman Investment	<u>\$24,922.69</u>	<u>\$36,812.74</u>

The next three 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.

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



# VOLUNTEER FIREFIGHTERS PENSION FUND BOARD

Name of Trust Fund City of Cottonwood Alternate Pension & Benefits Fund

## BOARD OF TRUSTEES

**President** Diane Joens 312 West Mesquite Drive, Cottonwood, Arizona 86326  
(Name) (Address)

**Secretary** Jesus R. Rodriguez, CGFM

**Treasurer\*\*\*** \_\_\_\_\_

**Member** Mike Casson, Fire Chief

**Member** Spencer Young

**Member** Bob Bouwman

**Member** Pete Bailey

**Member** Joe Odell

Name, Address and Telephone Number (8 a.m.-5 p.m.) of person preparing this report:

Jesus R. Rodriguez, CGFM

816 North Main Street

Cottonwood, AZ 86326

## SECRETARY'S REPORT OF FUND

Name of Trust Fund	Cottonwood Fire Department Alternate Pension and Benefits Plan		
Report of Fund Year Ended	June 30, 2007		
Signature of Secretary		Printed Name:	Jesus R. Rodriguez, CGFM
Business Address:	816 N. Main St.	City:	Cottonwood Arizona, Zip Code <span style="float: right;">86326</span>
Business Hours Telephone Number	(928) 634-0060 x 202	E-mail Address:	rrodriguez@ci.cottonwood.az.us

Typr of Fund: A.S.R. § Title 9, Chapter 8, Article 4 Volunteer Fire Investments managed by Purchased Alternate Pension Plan

**Revenues:**

Monies received from 2% premium tax distribution/Company	\$ -
Interest earnings	\$ 18,034.13
Employees' contributions	\$ 706.66
457 Deffered Comp Plna	\$ 3,348.55

<b>Total Revenues.....</b>	<b>\$ 22,089.34</b>
----------------------------	---------------------

**Expenditures:**

Refund payments	
Relief payments	
Disability payments	
Death Benefit Payments	
Article 3 Pension payments	
Article 4 Pension distributions (paid/volunteer)	\$ (4,776.64)
Payment to Private Fire Company which covers pension liability	
Professional Services (legal, auditing, etc.)	\$ (1,680.00)

<b>Total Expenditures.....</b>	<b>\$ (6,456.64)</b>
Excess of Revenue over (under) Expenditures	\$ 15,632.70
Year's Beginning Balance	\$ 147,025.73
Year's Ending Balance	\$ 162,658.43

*"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 board of trustees of the fund, you must attach PROOF OF BOND A.R.S. 9-955.D.

## SECRETARY'S REPORT OF PENSION FUND DISTRIBUTION

Types of distribution include REFUND, RELIEF, DISABILITY, DEATH BENEFIT, ARTICLE 3 PENSION, OR ARTICLE 4 PENSION. Under Article 4 Alternate Pension, you must list name of each beneficiary and amount distributed to each account.

Please make sufficient copies to meet your needs

TYPE OF DISTRIBUTION	NAME OF BENEFICIARY	AMOUNT DISTRIBUTED
Retirement Benefits	Eugene L. Ortiz	\$1,800.00
Retirement Benefits	Terry R Tasa	\$1,800.00
Refund	John Bowers	\$34.59
Refund	Chuck Lounsbury	\$543.66
Refund	Shawn Kuykendall	\$507.89
Refund	Chad Winton	\$81.50
Refund	Rick Winniford	\$9.00

Article 4 Pension payments

\$4,776.64

**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 sorce.

### 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, AZ 85007-2935**

**If the annual pension fund report is not received by the fire marshall by the CLOSE OF BUSINESS ON January 31, 2008 the participating fire district is not eligible to receive its shar of fire insurance premium tax monies under section 9-952.A.R.S. 9-956,(D).**

MINUTES OF THE ANNUAL BOARD OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD HELD DECEMBER 18, 2007 AT 12:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING FIRE DEPARTMENT CONFERENCE ROOM, 191 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA

---

Chief Casson started the meeting at 12:11 p.m. Roll call was taken as follows:

**Board Members Present**

Mike Casson, Fire Chief  
Rudy Rodriguez, Board Secretary/Treasurer  
Diane Joens, Mayor  
Pete Bailey, Firefighter

**Board Members Absent**

Spencer Young, Firefighter  
Bob Bouwman, Firefighter

**Visitors**

Brady Casson, Firefighter  
Ian James, Firefighter

**Approval of the Board Minutes of October 04, 2007**

Board member Casson corrected the minutes where a capital Y was missed in Board member's Young name. Board member Bailey made the motion to approve the minutes as presented. Board member Joens seconded the motion and was approved unanimously.

**Old Business**

None

**New Business**

**CALL FOR ELECTION** – Chief Casson presented the call for election for current vacancies and upcoming vacancies. The call was for the resignation of Joe Odell (term expiring 12-31-2009) and two positions from the expiring terms of Bob Bouwman and Spencer Young (terms expiring 12-31-07).

After canvassing the eligible volunteer firefighters, the following people have declared candidacy to fill these three positions:

- |               |               |
|---------------|---------------|
| ○ Ramon Bell  | Brady Casson  |
| ○ Cody Harkey | Denver Hughes |
| ○ Ian James   | Dave Vogel    |

Board member Joens motioned to approve the call for election. Board member Bailey seconded and was approved unanimously.

**ELECTION RESULTS FOR THE VOLUNTEER PENSION PLAN BOARD OF TRUSTEES** – Chief Casson noted that six firefighters declared candidacy to fill the position vacated by the resignation of Joe Odell (term expires 12-21-2009) and the two positions expiring on 12-31-2007.

- |               |               |
|---------------|---------------|
| ● Ramon Bell  | Brady Casson  |
| ● Cody Harkey | Denver Hughes |
| ● Ian James   | Dave Vogel    |

The election returned with 17 of the 18 eligible members voting. The top vote getter was Brady Casson with 14 votes and he immediately filled Joe Odell's unexpired term through 12-31-2009. Ian James and Dave Vogel were elected as well with 8 votes each and will fill the positions being vacated by Bob

