



January 10, 2011

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

RE: Annual Report for the City of Cottonwood Fire Department Alternate Pension & Benefit Plan 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, and will be posted on the City's website at [www.ci.cottonwood.az.us](http://www.ci.cottonwood.az.us). If there is anything missing from these submitted reports, please call me at (928) 634-0060, ext 202.

Best regards,

A handwritten signature in black ink, appearing to read 'Jesus R. Rodriguez', is written over a horizontal line.

Jesus R. Rodriguez, CGFM  
Administrative Services General Manager, Board Secretary

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



January 10, 2011

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

RE: Annual Report for the City of Cottonwood Fire Department Alternate Pension & Benefit Plan 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.

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Best regards,

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Jesus R. Rodriguez, CGFM  
Administrative Services General Manager, 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 17, 2010, 8:30 A.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 – DECEMBER 21, 2009
4. NEW BUSINESS:
  - a. 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, 2010

CITY OF COTTONWOOD



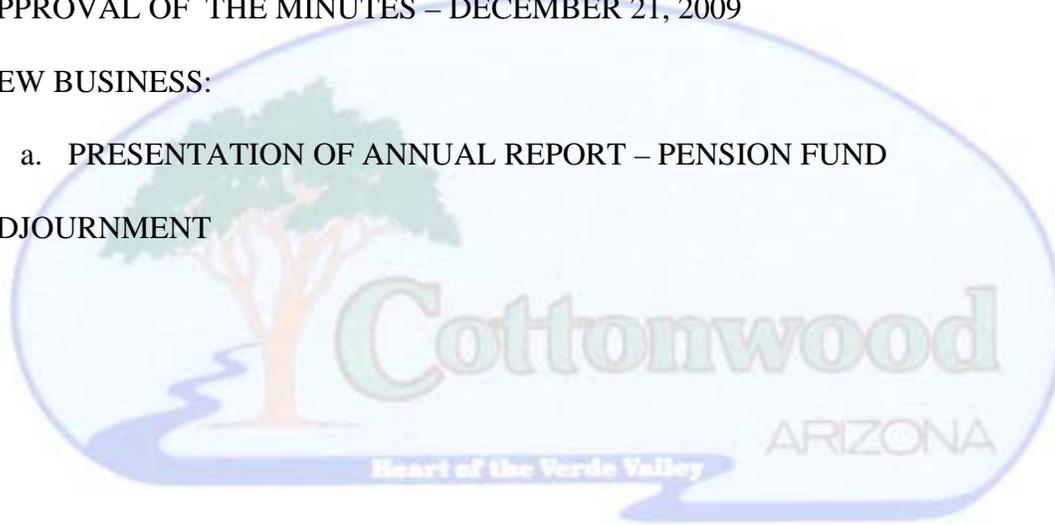
JESUS R.RODRIGUEZ, ADMINISTRATIVE SERVICES GENERAL MANAGER

## AGENDA

**ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD, COTTONWOOD, ARIZONA, TO BE HELD DECEMBER 17, 2010 AT 8:30 A.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING - FIRE DEPARTMENT CONFERENCE ROOM, 199 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA.**

The agenda for the meeting is as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE MINUTES – DECEMBER 21, 2009
4. NEW BUSINESS:
  - a. PRESENTATION OF ANNUAL REPORT – PENSION FUND
5. ADJOURNMENT



MINUTES OF THE ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD HELD DECEMBER 21, 2009 AT 1:00 P.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING FIRE DEPARTMENT CONFERENCE ROOM, 191 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA

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Chief Casson started the meeting at 1:07 p.m. Roll call was taken as follows:

**Board Members Present**

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

**Board Members Absent**

No Volunteer Firefighter Members

**Approval of the Board Minutes of December 18, 2008**

Mayor Joens motioned to approve the minutes as presented. Secretary Rodriguez seconded the motion and it was approved unanimously.

**New Business**

**CONSIDERATION AND APPROVAL TO RESTRUCTURE THE ALTERNATE PENSION AND BENEFIT PLAN BOARD OF DIRECTORS** - This discussion was brought up by Treasurer Rodriguez referring to an opportunity to make one of the volunteer firefighter board members positions into a regular firefighter board member position. This came about because of the lack of eligible volunteers to serve on the Board. There was some discussion about the bylaws not being specific as to volunteer vs. regular firefighters being board members. Treasurer Rodriguez mentioned to the board members that the Trust's advisor, Larry Innes, mentioned that other Trust had already made this move in order to ensure that the Trust always had a quorum available for board meetings. It was decided that this issue did not need any changes to the bylaws, however, Fire Chief Casson would make recommendation at a future board meeting as to the new board members.

**CONSIDERATION AND APPROVAL TO ELIMINATE THE \$3,600 CONTRIBUTION FROM THE GENERAL FUND TO THE ALTERNATE PENSION AND BENEFIT PLAN FOR RETIRED INDIVIDUALS** - Treasurer Rodriguez made a recommendation to eliminate the \$3,600 contribution from the General Fund to the Alternate Pension and Benefits Plan, which funds two retirees from a previous plan. The Board voted to eliminate the contribution with Mayor Joens making the motion, and a second from Treasurer Rodriguez. The vote of the board was unanimous. The Board instructed Treasurer Rodriguez to review the initial documentation that initiated this contribution and make arrangements to get it before City Council for ratification.

**PRESENTATION OF ANNUAL REPORT – PENSION FUND** - Board Treasurer Rodriguez presents the Funds Annual report showing a decrease in the Trust assets of -\$36,565.77 over last year to \$128,102.53. It was a rough year with several members leaving the Trust and taking large sums of money with them.

The City continues to contribute \$3,600 to the Trust to cover retirement costs for two retired firefighters. The Board voted to approve the Annual Report with Mayor Joens making the motion, and a second from Treasurer Rodriguez. The vote of the board was unanimous.

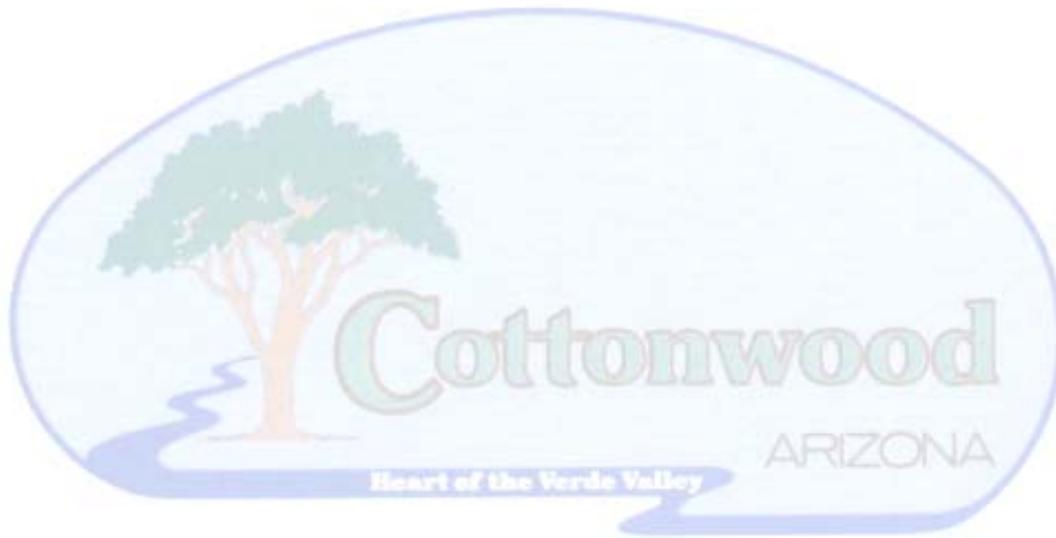
**Adjournment**

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

ATTEST:

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Jesus R. Rodriguez, Board Secretary/ Treasurer



To: Alternate Pension & Benefits Fund Board Members December 17, 2010  
 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, 2010. The market value of the volunteer's portfolio as on June 30, 2010 was \$128,102.53 and is broken down as depicted below

ITEM DESCRIPTION	@ 06/30/2009	@ 06/30/2010
Fund Balance – Volunteers	\$109,251.73	\$125,436.08
Segregated Account for Fred Hayman	26,315.68	29,598.74
Cash & Cash Equivalents <sup>1</sup>	19,699.11	11,287.83
Due to City General Fund	-27,163.99	-28,085.91
Trust Balance	\$128,102.53	\$138,236.74
Prior Years Unallocated Fire Premium Insurance <sup>2</sup>	0	0
Adjusted Trust Balance	\$128,102.53	\$138,236.74
<b>Market Value of Account, June 30, 2009</b>		<b>\$128,102.53</b>
Adjustments		
Premium Tax Contribution	26,406.08	
EE/ER Contributions	336.04	
457 Def Comp Contributions	586.49	
Distributions	-29,788.91	
Total Adjustments		-2,460.30
Balance		125,642.23
<b>Market Value of Account, June 30, 2010</b>		<b>138,236.74</b>
<b>Net Change in Value</b>		<b>12,594.51</b>

The Trust had interest/dividend income of \$3,645.14 during the course of the year. Fees totaled \$4,009.91, and gains of \$12,594.51. This activity produced a net market value of -138,236.74.

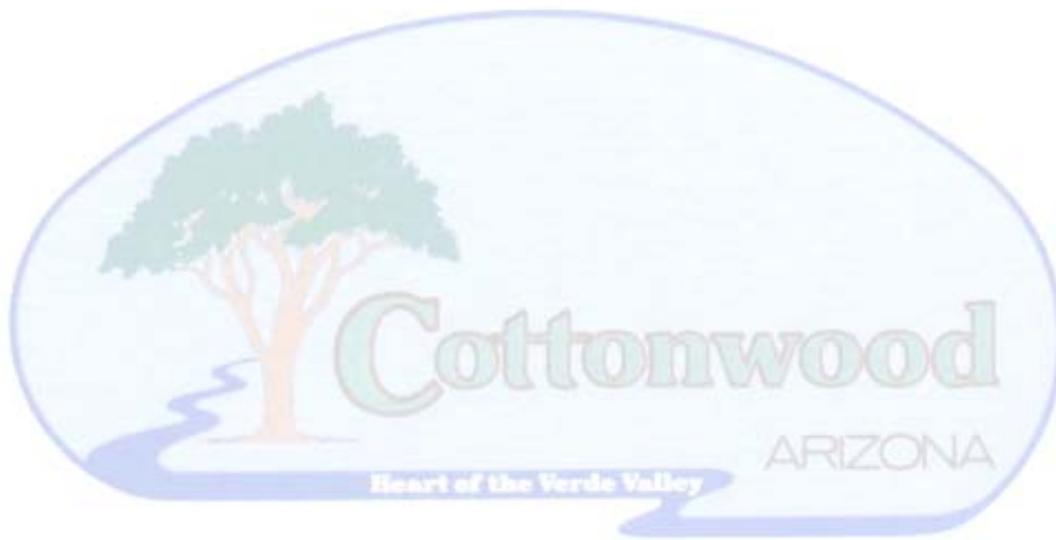
There were two individuals that retired some time back and continue to be reflected in the plan. Eugene L. Ortiz and Terry R. Tasa continue to receive \$150 a month during the plan year totaling \$1,800 each, or \$3,600. The City of Cottonwood General Fund as part of an agreement contributes this amount.

<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, 2010, hence the large increase in this line.

<sup>2</sup> There is no unallocated Fire Premium Insurance due.

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.



# Cottonwood Volunteer Fire Department Retirement Trust

*Statement of Fund Balances  
For the plan year ending June 30, 2010*

## Assets:

<b>Cash</b>	LPL Cash Account	8,518.35	
	Am Funds Money Market	461.49	
	City Account	-28,085.91	
	Accrued 457/ER Contribution	507.99	
	Accrued Company Contribution	<u>1,800.00</u>	
	<b>Total Cash</b>		<b>-16,798.08</b>

## Investments

Alger Institutional Fund	10,321.82
American Beacon Fund	8,810.30
Artio Global Investment Funds	9,752.65
Artisan Funds Inc Small Cap	11,158.93
Columbia Funds Marsico Growth Fund	13,651.12
First Eagle Funds Inc Global Fund	6,451.85
Forward Funds Inc International	2,677.25
Harbor Fund Cap Apprc Fund	9,654.86
Ivy Funds Global Natural Resource	10,405.23
MFS Ser TR X Emerging Mkts Debt Fund	4,000.00
MFS Series Trust I Value Fund	13,189.47
Morgan Stanley Instl Fund	7,387.50
Pimco Funds Pac Invt Mgm	8,386.65
Thornburg Invt Tr Value Fund CL I	9,588.45

### *Segregated Accounts for Fred Hayman*

Am Funds Europacific Growth Fund	16,179.20
Am Funds Income Fund of America	<u>13,419.54</u>

**Total Investments** 155,034.82

**Total Assets** 138,236.74

## Liabilites and Equities

Participant's Equities 138,236.74

**Total Liabilities and Equities** 138,236.74

**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, 2010

Signature of Secretary \_\_\_\_\_ Printed Name Jesus R. Rodriguez

Business Address 827 North Main St. City: Cottonwood Arizona Zip Code 86326

Business Hours Telephone Number (928) 634-0060 Email Address rrodriguez@cottonwoodaz.gov

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 Planu u  
 A.R.S. Title 38, Chapter 5, Article 4 Public Safety Personnel Retirement System (Checked Box(es))

**Revenues:**

Monies received from 2% premium	
Tax distribution/Company	<u>26,406.08</u>
Interest earnings	<u>16,604.42</u>
Employer Contributions	<u>336.04</u>
457 Deferred Comp Plan Contributions	<u>586.49</u>
<b>Total Revenues.....</b>	<b>43,933.03</b>

**Expenditures:**

Refund payments	_____
Relief payments	_____
Disability payments	_____
Death Benefit payments	_____
Article 3 Pension payments	_____
Article 4 Pension payments ( paid/volunteer)	
(paid/volunteer)	<u>-29,788.91</u>
Payment to Private Fire Company	
Which covers pension liability	
Professional Services (legal, auditing, etc.)	<u>-4,009.91\</u>
<b>Total</b>	_____

<b>Expenditures.....</b>	<b>-33,798.82</b>
Excess of Revenue over/under Expenditures.....	8,134.21
Year's Beginning Balance.....	128,102.53 ✓
Year's Ending Balance.....	<u>\$ 136,236.74</u>

*“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 2010**

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).

<u>TYPE OF DISTRIBUTION</u>	<u>NAME OF BENEFICIARY</u>	<u>AMOUNT DISTRIBUTED</u>
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Retirement Benefits	Eugene L. Ortiz	\$ 1,800.00
Retirement Benefits	Terry R. Tasa	1,800.00
Refund	Allen Alexander	12.60
Refund	Pete Bailey	14,575.38
Refund	John Bouwman	409.90
Refund	Jeremy Doerksen	5,284.75
Refund	Ryan Contreras	488.26
Refund	Denver Hughes	956.20
Refund	Sean James	393.65
Refund	Alex Lewis	133.20
Refund	Patrick McInnis	578.27
Refund	Lewis Newel	2,856.39
Refund	Joe Odell	444.61
Refund	Lars Ronig	29.82
Refund	Dave Vogel	<u>25.65</u>
		\$ 29,788.68

**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, 2008 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).**

MINUTES OF THE ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE  
PENSION AND BENEFIT PLAN BOARD HELD DECEMBER 17, 2010 AT 8:30 A.M. AT  
THE COTTONWOOD PUBLIC SAFETY BUILDING FIRE DEPARTMENT CONFERENCE  
ROOM, 191 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA

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Chief Casson started the meeting at 8:35 a.m. Roll call was taken as follows:

**Board Members Present**

Mike Casson, Fire Chief  
Diane Joens, Mayor  
Rudy Rodriguez, Board Secretary/Treasurer  
Ben Krammer, Firefighter

**Board Members Absent**

No Volunteer Firefighter Members

**Approval of the Board Minutes of December 21, 2009**

Mayor Joens motioned to approve the minutes as presented. Secretary Rodriguez seconded the motion and it was approved unanimously.

**New Business**

**PRESENTATION OF ANNUAL REPORT – PENSION FUND** - Board Secretary Rodriguez presents the Trust's Annual Report showing an increase of \$10,134.21 over last year to \$128,102.53. It was a rough year with several members leaving the Trust and taking large sums of money with them, however the value of the investments rose \$12,594.51.

FY 2010 will be the final year the City contributes \$3,600 to the Trust to cover retirement costs for two retired firefighters. The Board reviewed the investments and the distributions and decided that a meeting will be necessary after a new group of volunteers are hired in February.

The Board voted to approve the Annual Report with Board member Casson making the motion, and a second from Secretary Rodriguez. The vote of the board was unanimous.

**Adjournment**

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

ATTEST:

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Jesus R. Rodriguez, Board Secretary/ Treasurer