



January 18, 2012

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 early February, and will be posted on the City's website at [www.cottonwoodaz.gov](http://www.cottonwoodaz.gov). If there is anything missing from these submitted reports, please call me at (928) 340-2710.

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 18, 2012

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.

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.cottonwoodaz.gov](http://www.cottonwoodaz.gov). If there is anything missing from these submitted reports, please call me at (928) 340-2710.

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 19, 2011, 10:00 A.M.  
Public Safety Building Fire Department Conference Room  
199 S. 6<sup>th</sup> Street  
Cottonwood, Arizona

The amended agenda for the meeting is as follows:

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF THE MINUTES – DECEMBER 17, 2010
4. NEW BUSINESS:
  - A. INTRODUCTION OF NEW BOARD MEMBERS
  - B. DISCUSSION ON REVISION OF PLAN TO INCLUDE:
    - i. ELIGIBILITY
    - ii. ALLOCATION OF CONTRIBUTION
    - iii. PARTICIPATION
  - 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 12, 2010

CITY OF COTTONWOOD



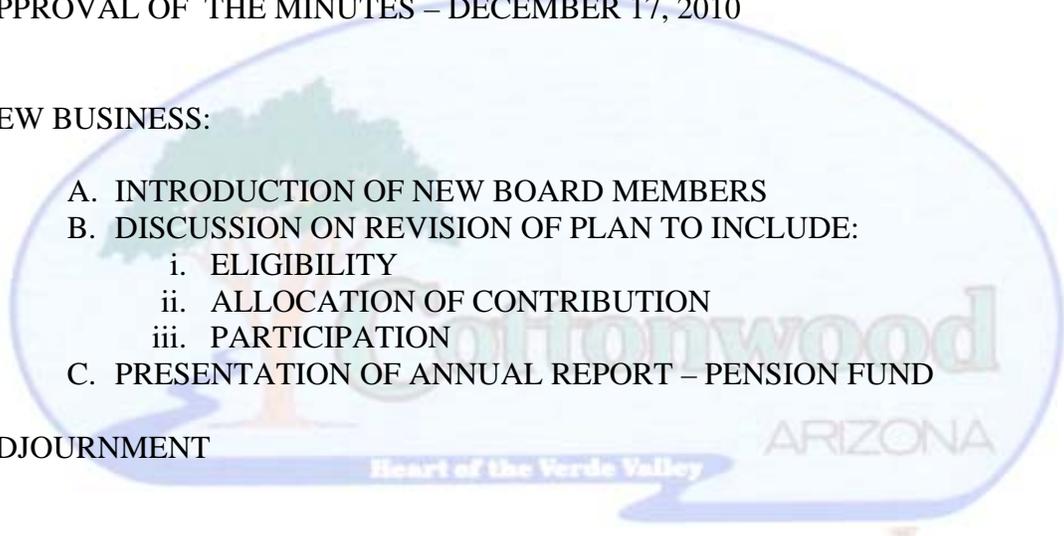
JESUS R.RODRIGUEZ, ADMINISTRATIVE SERVICES GENERAL MANAGER

## AMENDED AGENDA

**ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE PENSION AND BENEFIT PLAN BOARD, COTTONWOOD, ARIZONA, TO BE HELD DECEMBER 19, 2011 AT 10:00 A.M. AT THE COTTONWOOD PUBLIC SAFETY BUILDING - FIRE DEPARTMENT CONFERENCE ROOM, 199 SOUTH 6<sup>TH</sup> ST., COTTONWOOD, ARIZONA.**

The amended agenda for the meeting is as follows:

1. CALL TO ORDER
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    - i. ELIGIBILITY
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    - iii. PARTICIPATION
  - C. PRESENTATION OF ANNUAL REPORT – PENSION FUND
4. ADJOURNMENT



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 increase by \$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

To: Alternate Pension & Benefits Fund Board Members December 19, 2011

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, 2011. The market value of the volunteer's portfolio as on June 30, 2011 was \$195,755.38 and is broken down as depicted below

ITEM DESCRIPTION	@ 06/30/2010	@ 06/30/2011
Fund Balance – Volunteers	\$125,436.08	\$170,590.33
Segregated Account for Fred Hayman	29,598.74	37,409.79
Cash & Cash Equivalents	11,287.83	15,455.67
Due to City General Fund	-28,085.91	-27,700.41
Trust Balance	<u>\$138,236.74</u>	<u>\$195,755.38</u>
Prior Years Unallocated Fire Premium Insurance <sup>1</sup>	0	0
Adjusted Trust Balance	<u>\$138,236.74</u>	<u>\$195,755.38</u>
<b>Market Value of Account, June 30, 2010</b>		\$138,236.74
<b>Adjustments:</b>		
Premium Tax Contribution <sup>2</sup>	23,046.70	
EE/ER Contributions	518.56	
457 Def Comp Contributions	1,994.69	
Distributions	-3,482.90	
Total Adjustments		<u>22,077.05</u>
Balance		<u>160,313.79</u>
<b>Market Value of Account, June 30, 2011</b>		<u>195,755.38</u>
<b>Net Change in Value</b>		<u>\$35,441.59</u>

The Trust had interest/dividend income of \$4,498.45 during the course of the year. Fees and IRS taxes totaled \$11,161.97, and gains of \$42,105.11. The total change in net value taking all of these changes into consideration was \$35,441.59. All this activity produced a net market value of the overall portfolio of \$195,755.38.

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 to \$151,000 as on June 30, 2011.

<sup>1</sup> There is no unallocated Fire Premium Insurance due.

<sup>2</sup> The amount of fire premium is reflected here for the year ending June 30, 2011.

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:

<u>Payee</u>	<u>Amount</u>	<u>Reason</u>
Retirees		
Eugene Ortiz	\$1,800.00	Retirement Benefits
Terry Tasa	1,661.49	Retirement Benefits
Rick Wintermute	21.41	Contribution Reimbursement
Total	<u>\$3,482.90</u>	

The next eight 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, 2011

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

Business Address 827 N. Main St. City: Cottonwood Arizona Zip Code 86324

Business Hours Telephone Number (928) 340-2710 Email Address jrodriguez@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 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	23,046.70
Interest earnings	44,608.87
Employer Contributions	518.56

**Total**

**Revenues**..... 68,174.13

**Expenditures:**

Refund payments	
Relief payments	
Disability payments	
Death Benefit payments	
Article 3 Pension payments	
Article 4 Pension payments ( paid/volunteer)	
(paid/volunteer)	-3,482.90
Payment to Private Fire Company	
Which covers pension liability	
Professional Services (legal, auditing, etc.)	-11,161.97

**Total**

**Expenditures**..... -14,644.48

Excess of Revenue over/under Expenditures.....	53,529.33
Year's Beginning Balance.....	136,236.74
Year's Ending Balance.....	\$ 189,766.07

*“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 2011**

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>
Contribution Reimbursement	Wintermute, Rick	\$ 21.41

**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).**

# Cottonwood Volunteer Fire Department Retirement Trust

Statement of Fund Balances  
For the plan year ending June 30, 2011

## Assets:

<b>Cash</b>	LPL Cash Account	14,386.02
	Am Funds Money Market	600.01
	City Account	-27,700.41
	Accrued 457/ER Contribution	<u>469.64</u>
	<b>Total Cash</b>	<b>-12,244.74</b>

## Investments

Alger Institutional Fund	10,095.29
American Beacon Fund	11,191.14
Artio Global Investment Funds	11,287.28
Artisan Funds Inc Small Cap	9,518.24
Columbia Funds Marsico Growth Fund	18,834.52
First Eagle Funds Inc Global Fund	8,095.81
Forward Funds Inc International	3,634.73
Ivy Funds Global Natural Resource	14,856.09
MFS Series Trust I Value Fund	16,742.06
Morgan Stanley Instl Fund	9,889.92
Pimco Funds Pac Invt Mgm	11,292.68
Ridgeworth Funds	5,005.60
Thornburg Invt Tr Value Fund CL I	21,586.61
Wt Mutual Fund CRM Mid Cap Value Fund	18,560.37

### *Segregated Accounts for Fred Hayman*

Am Funds Europacific Growth Fund	20,876.11
Am Funds Income Fund of America	<u>16,533.68</u>

**Total Investments** 208,000.12

**Total Assets** 195,755.38

## Liabilities and Equities

Participant's Equities 195,755.38

**Total Liabilities and Equities** 195,755.38

# Cottonwood Volunteer Fire Department Retirement Trust

*Statement of Fund Balances  
For the plan year ending June 30, 2011*

**Market Value of Account, June 30, 2010** 138,236.74

**Adjustments:**

Premium Tax Contributions/Company Cont.	23,046.70
Employee Contributions	0.00
Employer Contributions	518.56
457 Def Comp Contributions	1,994.69
Distributions	<u>-3,482.90</u>

Total Adjustments 22,077.05

Balance 160,313.79

**Market Value of Account, June 30, 2011** 195,755.38

**Net Change in Value** 35,441.59

**Summary of Changes**

<b>Income:</b>	
Interest and Dividends	4,498.45
Other Income	<u>0.00</u>
<b>Total Income</b>	<b>4,498.45</b>

<b>Expense:</b>	
Fees	-3,935.61
Taxes to IRS	<u>-7,226.36</u>
<b>Total Expense</b>	<b>-11,161.97</b>

<b>Market Value Changes:</b>	
Realized Gains(losses)	0.00
Unrealized Gains(losses)	<u>42,105.11</u>
<b>Total Change in Market Value</b>	<b><u>42,105.11</u></b>

**Net Change in Value** 35,441.59

MINUTES OF THE ANNUAL MEETING OF THE CITY OF COTTONWOOD ALTERNATE  
PENSION AND BENEFIT PLAN BOARD HELD DECEMBER 19, 2011 AT 10:00 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 10:27 a.m. Roll call was taken as follows:

Chief Casson requested that item 4a be moved up in order to introduce the newest board members. All board members agreed to modify the agenda. Introduced were Patrick Wiatrolik who was present and Eric Altheide who was not able to attend the meeting. The Chief told the board that they were handpicked because there were no other candidates available that wanted to be on the board. The Board members were fine with the way the candidates were selected and the meeting resumed.

**Roll Call**

**Board Members Present**

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

**Board Members Absent**

Eric Altheide

**Approval of the Board Minutes of December 17, 2010**

Mayor Joens asked for clarification about which fund paid the \$3,600 that went to the two retirees in the plan. Secretary Rodriguez clarified that in the past the \$3,600 was a pass-thru from the General Fund to the retirees via the pension fund. This changed last year when the board voted to have the \$3,600 be funded by the pension plan wholly.

Mayor Joens motioned to approve the minutes as presented. Board member Kramer 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 \$57,518.64 over last year to \$138,236.74. Trust did well with the value of the investments rising \$35,441.59.

The Board reviewed the investments and the distributions. Board Secretary Rodriguez noted some discrepancies within the Innes reports and has request reconciliation from the investment firm. The board approved the reports but requested that the resolution to the discrepancies be forwarded to each of the members.

Secretary Rodriguez will also look into reasons why retiree Terry Tasa did not get the entire amount of retirement funds.

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

**DISCUSSION ON REVISIONS TO THE PLAN DOCUMENT** - The Board went over some of the

changes that need to be made to reward members for their services. The Board agreed to meet again in a few months to make additional changes to take effect July 1, 2012.

**Adjournment**

With no other business at hand, Board member Wiatrolik 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

DRAFT