

**Cortez Fire Protection District
Pension Board meeting minutes
April 10, 2013**

Call to order

Jim Bridgewater called the meeting to order at 7:05 p.m. in the meeting room at Station #1. The roll was taken and the board members present were Jim Bridgewater, Lori Johnson, Kent Lindsay, Orly Lucero and Keenan Ertel. Nick McDonald and Matt Lindsay were absent. Administrative assistant Wendy Mimiaga, Asst. Chief Charles Balke and Chief Jeff Vandevoorde were also present for the meeting.

Kent Lindsay made a motion to excuse Nick McDonald and Matt Lindsay from the Cortez Fire Protection District Pension Board Meeting, Lori Johnson seconded. The motion passed on the following vote:

Bridgewater	Johnson	Ertel	Lindsay, K.	Lindsay, M.	Lucero	McDonald
yes	yes	yes	yes	absent	yes	absent

Approval of the minutes

The minutes of the meeting held on January 9, 2013 were brought before the board for approval.

After reading and review, Orly Lucero made a motion to approve the minutes, Kent Lindsay seconded. The minutes were approved on the following vote:

Bridgewater	Johnson	Ertel	Lindsay, K.	Lindsay, M.	Lucero	McDonald
yes	yes	yes	yes	excused	yes	excused

Public Comment

There was no public comment.

Correspondence

There was no correspondence.

Administrative assistants report

Wendy Mimiaga reported the balance in the Edward Jones Investment account on January 25, 2013, \$1,967,581.16 with an income for the month of \$7,713.19, on February 22, 2013, \$1,964,059.26 with an income for the month of \$3,206.92 and March 31, 2013, \$1,978,955.76 with an income for the month of \$5,400.63. The year to date income for 2013 is \$16,320.74

In the First National Bank account, the balance, as of January 31, 2013, was \$99,138.04 with interest earned of \$8.52; February 28, 2013, was \$91,073.46 with interest earned of \$7.47; March 31, 2013,

was \$99,006.70 with interest earned of \$8.26. The year to date interest earned in 2013 for this account was \$24.25. The interest rate has remained at 0.10%.

Contributions to the First National Bank account included the first quarter pension payment from the district of \$17,500.00 on March 15, 2013.

At the last Board of Directors meeting, Ms. Johnson suggested that we look into different alternatives for pension benefits. *(note: Ms. Johnson has been working on this as an incentive to acquire more volunteers. Volunteerism has drastically declined locally and nationwide, and most individuals are not able to volunteer for the required twenty, or even ten, years as required by the State volunteer firefighter pension.)* Ms. Mimiaga contacted DOLA and found that the state matching funds are approximately \$4 million dollars a year, depending on the amount of request received. There are 225 pensions in the state that participate in the state's matching funds program, with a pension benefit that ranges from \$10 to over \$1,000. DOLA does not track any pensions that do not participate in their program, or any other types of alternative programs. If we chose to do some kind of alternative to the traditional pension, it would have to be done in house. It has been suggested to offer a lump sum benefit payment, possibly \$1,000 payout for each year of successfully meeting the volunteer requirements after being vested. If the Board chooses to offer an alternative to the traditional pension they should consult with their attorney, due to the fact that we already have a pension program in place. Perhaps the new volunteers could choose which (pension) program would best suit their needs. It is hard for an individual to donate twenty years of service anymore.

Ms. Johnson pointed out that we would have volunteers moving up through the ranks into reserve or career positions, but they would receive a lump sum payout for their years as a volunteer. This would encourage more volunteerism. Ms. Johnson commented that she has attended a workshop where another fire district had explained that this was what they were doing.

Ms. Mimiaga also looked into the New Mexico Volunteer Firefighter Pension program. NM has just increased the pension benefit from \$200 per month to \$250 per month, however, you cannot collect your pension benefit until you are 55 years of age and have served 25 or more years. If you only served 10 to 25 years, the pension benefit will be \$125 per month. They have 670 retirees and 5100 active volunteers. Currently NM volunteer do not receive a stipened for the calls they go on, but will soon begin to in June, 2013. The point to this is that NM is not paying a large pension benefit to their volunteers, after a considerable time commitment. If we were able to start a new program for the volunteers and pay them a lump sum for a shorter amount of time, if that is all they can give, could encourage more individuals to step up.

Mr. Ertel commented that they would not just walk away from 5 years of volunteer service with nothing, they need to get something back for the time they put in. We should look into this, we are probably not going to see 20 year volunteers anymore. It could encourage them to stay longer.

The Board inquired if we would still be eligible for the state matching funds. As long as we make a contribution to the current pension fund, that abides by the Sate Statues, then we are eligible for the state matching funds. *(If the Board chooses to do their own in-house type of benefit, it will have to be self-funded, and is not eligible for state matching funds.)* Looking at the current actuarial report and based on the number of volunteers currently working toward the pension benefit, we will be approaching a zero contribution level, the amount necessary to maintain the payout from the pension account, the pension account will be self-sustaining.

The District will have to fund the new pension account. No funds can be taken from the current account. Mr. Bridgewater made the comment that as long as there are state matching funds for the current pension fund, we should continue to make a donation to the fund to take advantage of the state monies. We could drop the districts amount of the contribution and still leverage the money

available from the state. We do not qualify for the top level payout of the state matching funds, 90% of the Districts contribution, since we pay more than the state recommended maximum amount of \$300 per month for 20 years of service. We pay \$495 for 20 years of service.

Old business

There was no old business.

New Business

A. Resignation – A letter of resignation were received from Matt Lindsay dated February 12, 2013.

Kent Lindsay made a motion to accept the letter of resignation from Matt Lindsay, Keenan Ertel seconded. The motion passed on the following vote:

Bridgewater	Johnson	Ertel	Lindsay, K.	Lindsay, M.	Lucero	McDonald
yes	yes	yes	yes	excused	yes	excused

Matt Lindsay did say he would continue to serve on the Pension Board until the position could be filled.

Executive Session

There was no executive session.

Adjournment

Having no further business to come before the board, Kent Lindsay made a motion to adjourn the meeting, Keenan Ertel seconded. The motion passed as follows:

Bridgewater	Johnson	Ertel	Lindsay, K.	Lindsay, M.	Lucero	McDonald	
yes	yes	yes	yes	yes	absent	yes	absent

The meeting adjourned at 7:30 p.m.

Nic McDonald – President

Attest:

Kent Lindsay – Secretary / Treasurer