

**Cortez Fire Protection District
Pension Board meeting minutes
April 13, 2016**

Call to order

President Sharp called the meeting to order at 6:00 p.m. in the meeting room at Station #1. The roll was taken and the board members present were Orly Lucero, Lori Johnson, Kent Lindsay, Sherri Wright, Buck Woodman and Larry Sharp. Gene Gustafson was absent. Administrative assistant Wendy Mimiaga and Chief Jeff Vandevorde were also present for the meeting.

Lori Johnson made a motion to excuse Gene Gustafson from the meeting, Buck Woodman seconded. The motion was approved on the following vote:

Gustafson	Johnson	Lindsay	Lucero	Wright	Woodman	Sharp
absent	yes	yes	yes	yes	yes	yes

Approval of the minutes

The minutes of the meeting held on January 13, 2016 were brought before the board for approval.

After reading and review, Sherri Wright made a motion to approve the minutes from the meeting held on January 13, 2016, Lori Johnson seconded. The minutes were approved on the following vote:

Gustafson	Johnson	Lindsay	Lucero	Wright	Woodman	Sharp
excused	yes	yes	yes	yes	yes	yes

Public Comment

There was no public comment.

Correspondence

There was no correspondence.

Administrative assistants report

Administrative Assistant Wendy Mimiaga went over her report that was included in the packet.

It was reported that the value of the Edward Jones account on:

January 29, 2016 was \$2,163,174.41, an increase of \$45,921.93 from December 31, 2015, with an income for the month of \$7,840.14.

February 26, 2016 was \$2,174,754.64, an increase of \$11,580.23 from January 29, 2016, with an income for the month of \$3,462.76.

March 24, 2016 was \$2,169,508.33, a decrease of \$5,246.31 from February 26, 2016, with an income for the month of \$568.12.

The year to date income for 2016, for the Edward Jones account, is \$11,871.02. It was pointed out that the value of the account has had very little fluctuation since the Mutual Funds were liquidated and re-invested in the Colorado Municipal Bonds. This has helped to preserve the value of the fund.

The balance for the First National Bank account:

December 31, 2015 was \$107,426.45 with interest earned of \$4.19.

The total interest earned in 2015 was \$44.67

January 31, 2016 was \$99,818.20 with interest earned of \$4.41.

February 29, 2016 was \$91,106.21 with interest earned of \$3.95.

March 31, 2016 was \$78,013.21 with interest earned of \$3.56.

The interest earned year to date for 2016 is \$11.92. The interest rate remains at 0.05%. It was also reported that we have two (2) stop payment charges totaling \$50.00 in February. Two (2) of our pension recipients did not receive their pension checks in the mail. One of them has since switched over to direct deposit.

As directed by the Board of Directors, a new Pension account has been opened at the Four Corners Community Bank, and the account at the First National Bank of Cortez will be phased out and transferred over to the new account, and then closed. The new account was opened on March 4, 2016. The Board requested that the account be moved from the First National Bank as some problems developed while trying to retrieve information from them, and that the signatories on the account had not been changed after the last election, even after they had gone to the bank to sign the signature cards on several different occasions. As it turned out, several past Board members, and only one current Board member were listed on the account. It was pointed out to the Bank that the current Board has been signing the checks, as we believed they were all listed on the account, but no one at the bank pointed out that they were not listed as signatories. This also made it very hard to find out any information on the account.

The balance in the Four Corners Community Bank on March 31, 2016 was \$17,016.68.

The total of the two (2) checking accounts as of March 31, 2016 was \$95,029.89.

We received the first quarter distribution of \$15,000 from the Cortez Fire Protection District on March 9, 2016. It was deposited into the new account at the Four Corners Community Bank..

New Business

2016 Actuarial Report – A copy of the 2016 Actuarial Report and the letter from the Actuary, Frank Dobis, stating that the account is actuarially sound, was included in the packet. It was reported that a lot of time was spent working on this report with the Actuary to see how much of an increase in the pension payment could be handled by the account, as directed by the Board. After trying various percentages and amounts, it was figured that the account could sustain a 5% increase to all of the pension recipients current, and not yet collecting. The increase was primarily possible due to the decrease in the number of volunteers working toward the pension benefit. A breakdown of the pension payout, per recipient, showing the current amount and the new amount with the 5%

increase, was included in the packet. The current calculation for the pension is \$24.75/month. This will increase to \$25.99/month. It was pointed out that 5% is a very good increase and a generous pension payment, and that we pay out well over the State recommended maximum amount of \$300/month for a twenty (20) year retiree.

Sherri Wright made a motion to approve the 5% increase for the pension benefit, Lori Johnson seconded. The motion was approved on the following vote:

Gustafson	Johnson	Lindsay	Lucero	Wright	Woodman	Sharp
excused	yes	abstain	yes	yes	yes	abstain

(note: both Mr. Lindsay and President Sharp are pension recipients, and therefor abstained due to the conflict of interest.)

Ms. Johnson inquired if the increase will take place right away or if we had to wait until the first of the year, 2017. It was noted that the increase will begin with the May, 2016 payments.

Spousal Benefit for Mrs. Cheryl McCutcheon - G.W. McCutcheon, a retired volunteer, passed away on March 3, 2016. It was reported that the District was very involved with his funeral. Many of the retired volunteers were in attendance as well as the current firefighters, the honor guard and Mr. McCutcheon was brought to rest in the Seagraves antique fire engine. The family was very appreciative. The death benefit of \$600.00 was paid out to his wife, Mrs. Cheryl McCutcheon.

Mr. McCutcheon served sixteen (16) years as a volunteer firefighter from 1968 – 1984. He began collecting his pension in April, 1984, and collected for thirty-two (32) years. A question came up as to whether or not Mrs. Cheryl McCutcheon was entitled to the spousal benefit, as she was married to G.W. McCutcheon after he had already retired as a volunteer. As per the By-Laws, Article I, Section 3 – Beneficiaries, it states “...is for the use of, and the benefit of, volunteer members and their surviving spouses.” Upon discussion, the Board determined that Mr. McCutcheon’s second spouse passed away prior to his marriage to Cheryl McCutcheon, but there is no information regarding his first spouse, other than he was only a volunteer firefighter for two (2) or less years while married to her. Therefore, the spousal benefit shall be paid to Mrs. Cheryl McCutcheon, the known surviving spouse.

Lori Johnson made a motion approve the spousal benefit for Mrs. Cheryl McCutcheon, Buck Woodman seconded. The motion was approved on the following vote:

Gustafson	Johnson	Lindsay	Lucero	Wright	Woodman	Sharp
excused	yes	yes	yes	yes	yes	yes

It was noted that the March spousal pension check for Mrs. Cheryl McCutcheon was not sent until approval was granted by the Board. Both the March and April spousal benefit checks will be mailed to Mrs. McCutcheon.

Old business

There was no old business.

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, Lori Johnson seconded. The motion passed as follows:

Gustafson	Johnson	Lindsay	Lucero	Wright	Woodman	Sharp
excused	yes	yes	yes	yes	yes	yes

The meeting adjourned at 6:22 p.m.

Larry Sharp – President

Attest:

Kent Lindsay – Secretary / Treasurer