

**Cortez Fire Protection District  
Pension Board meeting minutes  
July 9, 2014**

**Call to order**

Kent Lindsay called the meeting to order at 6 p.m. in the meeting room at Station #1. The roll was taken and the board members present were Diane Fox, Orly Lucero, Lori Johnson, Sherri Wright, Gene Gustafson and Kent Lindsay. Larry Sharp was absent. Administrative assistant Wendy Mimiaga, Asst. Chief Charles Balke and Chief Jeff Vandevoorde were also present for the meeting.

Lori Johnson made a motion to excuse Larry Sharp, Orly Lucero seconded. The motion passed as follows:

Fox	Johnson	Wright	Lindsay, K.	Lucero	Gustafson	Sharp
yes	yes	yes	yes	yes	yes	absent

**Approval of the minutes**

The minutes of the meeting held on April 9, 2014 were brought before the board for approval.

After reading and review, Lori Johnson made a motion to approve the minutes from the meeting held on April 9, 2014, Sherri Wright seconded. The minutes were approved on the following vote:

Fox	Johnson	Wright	Lindsay, K.	Lucero	Gustafson	Sharp
yes	yes	yes	yes	yes	yes	excused

**Public Comment**

There was no public comment.

**Correspondence**

There was no correspondence.

**Administrative assistants report**

It was reported that the value of the Edward Jones account on April 25, 2014 was \$2,014,511.39 with an income for the month of \$1,072.03, on May 30, 2014 was \$2,083,315.69 with an income for the month of \$11,406.51 and June 27, 2014 was \$2,087,495.23 with an income of \$6,986.90. The year to date income as of June 27, 2014 is \$35,851.77.

It was reported that \$250,000 Federal Home Loan Mortgage bond at 4.55% was called on April 10, 2014. On Mr. McAndrew's recommendation, we purchased 274,000 Federal Farm Credit Banks Consolidated Bond at 2.97%, due November 23, 2032 at a discounted price of \$89.30335. This makes the yield to maturity 3.775%. The total transaction was \$247,883.44.

The balance for the First National Bank, as of April 30, 2014, was \$103,645.47 with interest earned of \$9.41; May 31, 2014, was \$102,515.78 with interest earned of \$8.81; June 30, 2014, was \$102,440.68 with interest earned of \$8.30. The year to date interest earned through June 30, 2014 for this account was \$56.77. The interest rate has remained at 0.10%. Mr. Lindsay asked if we had looked for a better interest rate, or if we could keep the funds in a money market account, and transfer them as needed each month. Ms. Mimiaga explained that this is in line with most interest bearing checking account, but would inquire about the money market account, and if it would have a higher yield. It was also reported that the 2014 Actuarial Report was paid for out of the First National Bank account for \$2,500.

The second quarter pension payment from the district of \$10,000.00 was made on June 16, 2014. The Pension fund has thus far received \$20,000 from the District to date.

An update on the distributions for the pension account was also included in the report. Currently there are thirty retired recipients at \$144,342 per year, and six spousal recipients at \$16,335 per year for a total yearly payout of \$160,677, or \$13,389.75 per month. There are also seven retirees who qualify for the pension benefit, but have not yet met the age requirement, fifty years old, to begin collecting. The closest will be eligible to start collecting in about three years. The average number of years served for these seven individuals is 11.14 years. There are also three individuals who are no longer with the district, but have five years in with the District and are therefore vested. Two of them, Jeremy Gonzalez and Nick Martinez are currently volunteers with other departments. These departments only offer a twenty year retirement, so they will have to serve a total of twenty years, and additional fifteen years with another department, to qualify for the pension benefit, of which we will be responsible for the five years they served here. The other individual, Nick McDonald is not currently volunteering with a fire department. He has a year to volunteer to keep his vested time here. We currently have eight volunteers who are working toward receiving the pension benefit. Only three of them have ten or more volunteer years and are able to resign and qualify for the pension. Ms. Johnson pointed out that several of the volunteers did not meet the requirements to earn last year towards their retirement.

Ms. Mimiaga commented that the pension account is very stable and will continue to support the retirees. We also do not currently have many, or any, volunteers coming in that will be working toward earning the pension benefit. Ms. Mimiaga further explained that as long as the District makes a contribution to the volunteer pension fund, we will continue to qualify for a percentage of the State contribution, however, we will reach a point where the account will be self-sustaining for the \$495 twenty year benefit, and a contribution will not need to be made. We are already at that point at the State recommended \$300 benefit level. Therefore, it is not likely that the pension benefit will be reduced.

**New Business**

There was no new business.

**Old business**

There was no old business

**Executive Session**

There was no executive session.

**Adjournment**

Having no further business to come before the board, Lori Johnson made a motion to adjourn the meeting, Sherri Wright seconded. The motion passed as follows:

Fox	Johnson	Wright	Lindsay, K.	Lucero	Gustafson	Sharp
yes	yes	yes	yes	yes	yes	excused

The meeting adjourned at 6:15 p.m.

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Larry Sharp – President

Attest:

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Kent Lindsay – Secretary / Treasurer