

**Cortes Fire Protection District
Pension Board meeting minutes
November 14, 2012**

Call to order

President Nic McDonald called the meeting to order at 7:12 p.m. in the meeting room at Station #1. The roll was taken and the board members present were Nic McDonald, Matt Lindsay, Jim Bridgewater, Keenan Ertel, Lori Johnson, Kent Lindsay and Orly Lucero. Administrative assistant Wendy Mimiaga, Asst. Chief Balke and Chief Vandevoorde were also present for the meeting.

Approval of the minutes

The minutes of the meeting held on July 11, 2012 and the special meeting held August 8, 2012 were brought before the board for approval. After reading and review, Matt Lindsay made a motion to approve the minutes, Jim Bridgewater seconded. The minutes were approved on the following vote:

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

Public Comment

Toby McCoy questioned the requirements for the volunteers. He stated that when you go online it says you only need thirty-six hours of training, but the by-laws state that the volunteer requirement is eighteen hours of training in first half of the year and again in the second half of the year (totaling thirty-six hours for the year) and 20% of fire calls. Mr. McCoy asked the Board to clarify, and if it had always been these requirements.

Mr. Ertel commented that he thought it had been 50% of the calls in the past to qualify for the pension. Mr. Lindsay, K, said that was written in the constitution (for the volunteers), not the by-laws. The constitution stated that in addition to the thirty-six hours of training, you had to attend a certain number of meetings and fire calls.

Ms. Mimiaga clarified that the requirements as stated in the state statute (C.R.S. 31-30-1122) of maintaining thirty-six hours per year in training, is the minimum requirement that must be met according to the State, and that each districts board has the capacity to elaborate on the requirements for eligibility for the pension.

Lori Mott commented that eleven of the thirteen volunteers were not able to make 20% of the B-tone calls, before Asst. Chief Balke removed the daytime calls and the calls that occurred when volunteers were on reserve shifts, and that it should be made more attainable, i.e. 15% instead of 20%. People have daytime jobs, and only the people who do not have daytime jobs were able to meet the 20% requirement.

Chief Vandevoorde also explained that about 30 B-tone calls were not included as no one showed up at all, and they were therefore not noted in the call book. Asst. Chief Balke went on to explain that every B-tone that was listed in the book total 168 B-tone calls, 85 between 5:30 a.m. and 5 p.m., which leaves 83 after 5 p.m. to 5:30 a.m. and Saturday and Sunday, which brings the 20% to only 16.6 calls from 33.60 calls. The volunteers that were able to make the 20% of the re-calculated number of 16.6 calls for the year, were Kenny Ford, Roger Beckermeyer, Justin Lindsay, Matt Lindsay, Toby McCoy, Nic McDonald, Lori Mott, Troy Mott and Jeff Perry.

Mr. McDonald said that the 20% of the B-tone calls was a recommendation from the Chief and Asst. Chief to the Board of Directors. It was corrected by the Board that it was in fact Hal Shepherd that made the recommendation, and that he had wanted it to be 30% of the total of the B-tone calls.

Ms. Johnson commented that she understands that people cannot always leave their job for a call, but that is what volunteerism is all about, and we need volunteers that are going to show up. This is why we no longer have a fully volunteer fire department.

Ms. Mott asked if the Board might want to change the by-laws to 15% of the B-tone calls as that is a more attainable goal. The volunteers are very dedicated and come here as much as they can for calls.

Mr. McDonald continued that it is not just the calls, that the volunteers do a lot more in the department, teach, pub-ed, or whatever it may be, to contribute our time. Asst. Chief Balke answered that is allocated into training hours. Mr. McCoy asked if the other calls the volunteers showed up for, those not considered B-tone calls, could be included. Even though it is not a B-tone call, they are still showing up and making an effort.

Chief Vandevorde explained that when the B-tone goes off, that is when extra help is needed, i.e. several fires that have happened in the in the middle of the night, or big calls when help is needed and no one shows up. If people would respond to these calls, when their help is really needed, then this would not be an issue. Coming down and signing in on EMS calls is fine, but it is unacceptable when we have a fire and the volunteers do not show up to help the duty crew and the few others out there, because they have to get up and go to work in the morning. This also creates a dangerous situation for your fellow firefighters.

The Board made this change to the by-laws because this is what had been happening, and they were concerned that, the way it was set up previously, a volunteer could be eligible to receive a pension and not have actually gone on any calls. The Board reiterated that being a volunteer is a commitment, not just showing up when you feel like it. Just being concerned that you have made the minimum requirement to be eligible for the pension is not acceptable.

Chief Vandevorde continued on how important it is for the volunteers to show up at the big calls, the B-tone calls, for overall firefighter safety, mutual aid and to cover the station. You need to help each other. When no one shows up and command has to help out with operations, you can have a breakdown in command, and someone could get hurt. We try to get all the firefighters involved in many aspects of the department, i.e. buying new gear, radios, helmets, etc., but no one shows up.

Mr. McDonald said that things should happen at a more acceptable time, i.e. the demo fire truck was here at 11 a.m., things happening during the day doesn't work. People are putting an effort forward, and it is obvious who is.

Mr. McCoy commented that we could do better, there are times that the B-tone went off and I just rolled over, but I have also shown up and devoted my time the best that I can for the past fourteen years. I am doing the best that I can, when I can, to dedicate my time to train, cover reserve shifts, to volunteer for this organization, and to meet my thirty-six hours of training on top of all of that. I am down on the percentage of calls needed, 11%, but it still shows that I have put forth the effort.

Mr. Bridgewater said that you have an obligation to the community. To receive a retirement you must make an effort. I do not believe that an effort has been made. Eleven percent of 168 calls, you came down an average of once a month.

Asst. Chief Balke said that everyone does have their training hours, and if the recalculated percentage of calls, taking out the daytime calls, when people were on A, B, C shift or working as a reserve, and not using the 20% of total B-tones, most people will make the requirement.

Mr. K. Lindsay commented that even in the past, only about 25% of the volunteers would show up on average for each call. Ms. Johnson reiterated that we need more volunteers to have more show up. Chief Vandevorde responded that this is a national problem. Statistically, out of every eight volunteers you put on, one will show up. This becomes very expensive. You have to supply eight

people with turn out gear, regulators, radios, training, etc. This is a lot of money to spend on eight people to have one show up. Asst. Chief Balke asked the firefighters what they thought would be fair to the tax payers and the organization as far as response and requirements.

A comment was made that while a firefighter is working a reserve shift, 12, 24, 48 or more hours, they get the excitement of running calls. Then when they are off shift, they are too tired and not as interested in getting up for a call. Chief Vandevoorde responded that you then need to decide if you want to be a volunteer or a reserve firefighter, that being both might not work for everyone.

Mr. McDonald said to look at it this way, many (*6 of 11 volunteers*) of the volunteers are eligible to retire. If they all retire and are just reserves, then what. You have to find volunteer that are qualified to come and run your calls. We are hurting for volunteers, we have not been doing our justice in recruiting new volunteers for the past five years. Mr. Ford commented that people are not going to come and stand by for an hour and hope to go on a call. It's not like when we were all volunteers. I don't even see them, they don't show up for class, calls, they're already not showing up.

Mr. M. Lindsay commented that he understands the 20% of B-tone calls, it is not unattainable and it is not 50% like it used to be. The Chief and the Asst. Chief know who is coming in and making an effort and contributing to the organization, and who isn't. And we as volunteers know when we are making an effort, and when we're not.

Asst. Chief Balke reiterated what Mr. M. Lindsay said. It does call for 20% of all B-tone calls, but we are taking into consideration when people are working, doing other things to contribute to the organization, and we pass that information on to the pension board. We, the Chief and Asst. Chief, do not make any of the decisions (*regarding the pension*). That is the job of the pension board. However, everyone here has been on a call when no one else has shown up, and had to work twice as hard, putting yourselves at risk doing everything. You know what it takes to safely back each other up. It is not about the numbers, it is about backing up your fellow firefighters to make sure everyone goes home safely to their families.

It was stated again that the volunteers are not able to leave their jobs during the day to respond to calls, like they had been in the past. Chief Vandevoorde commented that this is a national trend and that volunteerism is declining across the country. There are many calls outside of the workday, and the twenty to thirty calls that nobody showed up for. Mr. Ertel asked the volunteers to tell the board what they thought would work. Mr. K. Lindsay asked them to get together as a group and not only write down the problems, but also solutions. We are willing to do what it takes to make this work, but the bottom line is the taxpayer still has to get value for their dollar. Mr. Ertel reminded them that they could draw a \$500 a month pension when they turn fifty years old, for possibly thirty to forty years, would be \$178,200 or more. This is no small sum of money, but you have to get up out of bed to earn it.

Mr. Bridgewater stated that when this resolution passed it was because the 50% of the calls was not being enforced, and we had to come up with a realistic number. Hal Shepherd wanted it to be 30% of the calls. We compromised with 20%. And now we are talking about taking the daytime tones out, and when you are working as a reserve. I don't think we should spend a lot of money to make sure you have met the requirements.

Chief Vandevoorde stated that he did not think a total of thirty calls a year is a lot to make to qualify for the pension. Mostly we just need people to show up, especially on the bigger calls. If people would just show up, then this would not be an issue.

Alex Archuleta stated that he thought the Chiefs have bent over backwards to accommodate everyone. Mr. Archuleta said that he has not been able to show up for a lot of the calls and trainings due to outside influences, and that being a volunteer is a little taxing on his lifestyle, and I'm not doing it justice. He suggested that we need to look at ourselves and if we want to own the pension, we will need to get out of bed and show up. We need to ask ourselves what we need to do to earn

the pension. Mr. Archuleta then pointed out a recent structure fire he was on in Towaoc where no one else showed up, and they really needed the help. If you want to play, just show up and you can. Mr. M. Lindsay stated that it is our job as the pension board to make sure we are getting the bang for our buck, and it is the Chief's job to let the board know if someone is not doing the job. Everyone knows if they are putting in the effort or not. And the Chiefs will know if you are or not putting in the effort and report accordingly to the board. If you're not, then it will be reported to the board and we will be going through this again. The by-laws say 20%, that should be your goal.

Asst. Chief Balke commented that as the pension recipients, it is your job to know where you stand. You should not have to call in November to see what your numbers are, and if you have made the requirement.

Mr. Bridgewater commented that when we look at a number like 168 calls, that 20% is realistic, which is only about 30 calls a year, 3 times a month. Now they are talking about throwing out the 8 a.m. – 5 p.m. calls which brings it down to half which makes it only 16 calls per year, that is not good enough.

Mr. McDonald replied that it is not just 16 calls. People did not show up for just 16 calls. How many calls overall did some of us make. Asst. Chief Balke replied that the total call response for Mr. McDonald is 36 (*1292 total calls*). Ms. Johnson pointed out that these are not all B-tones, that many of the firefighters come back for regular calls.

Mr. Bridgewater inquired if firefighters can come in and get credit for A-tone calls, even when we have two of four firefighters in the station to respond. I cannot justify giving credit when there has not been a request for an off duty firefighter to come in. If there is a way to make it better I think this board will listen to you, however, I do not think there has been an argument presented tonight for a different solution. You have a responsibility if you want a retirement. If you are not willing to do the job you cannot get the retirement.

Asst. Chief Balke said he can come up with whatever statistics you want. What you do with them is up to you. We need to cover each other's back. The fire goes out and mop up is much quicker with more people, and it is much safer for everyone involved. It is about being there for your fellow firefighter.

Correspondence

President McDonald informed the Board that he received a letter of resignation from Roger Beckermeyer from the Cortez Volunteer Fire Department, as he is now a full time employee for the district.

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

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

Administrative assistants report

Wendy Mimiaga reported the balance in the Edward Jones Investment account on July 27, 2012, \$1,883,290.11 with an income for the month of \$8,368.83, on August 31, 2012, \$1,890,896.06 with an income for the month of \$3,949.91 and September 28, 2012, \$1,901,818.60 with an income for the month of \$5,809.91. The increase in fund balance for the year is \$49,345.22.

The balance, as of September 30, 2012, in the First National Bank account was \$141,927.14. The current interest rate is 0.10% with interest earned year to date of \$105.91. We will need to look at reinvesting some of this money at a higher interest rate.

The account has received three quarterly payments of \$18,155.50 from the Cortez Fire Protection District, and is slated to receive the fourth payment in December.

The application for the State contribution to the pension fund was submitted in August. We received confirmation in October, and should receive a check for \$41,791.00 this month (November).

A synopsis was given on the pension account. We currently have 35 pension recipients and pay out \$13,142.25 per month. If there are no deletions for 2013, the total payout will be approximately \$157,707.00. It has been budgeted for the District to contribute \$70,000 to the pension fund. With the \$41,791 we will hopefully receive from the State again next year, we will have a contribution of \$111,791.00 to the pension fund. This does not include the income paid to the account from the investments in the Edward Jones account. This amount has been around \$55,000.00, which brings the total income for the pension fund to approximately \$166,791.00. Based on the actuarial study, we only need to contribute \$90,000.00 to the account for it to remain actuarially sound. Currently we have five retired firefighters that are still not yet eligible to collect their pension benefit. Three of them will be eligible in four years, with an average number of years of service of 10.6 years.

We currently have five, of eleven, active volunteers that are eligible for retirement and one more who is coming up on ten years of service.

Looking at the numbers for account management purposes, we have five pension recipients with a date of birth in the 1920's, and four recipients with a date of birth in the 1930's. Of these, four have a spouse who will be eligible for the spousal benefit at 50%. I believe we are headed in a direction where this account will soon be self reliant.

We had \$140,000 Federal Home Loan Mortgage bonds at 4% called on October 10, 2012. We reinvested the proceeds into a University of Colorado Hospital Bond at 4%. We had to pay a little bit of a premium for them, 101.95000, but they have an A+ rating. We are able to get better yields on the Colorado Municipal Bonds.

Old business

A. Investing excess funds – It is estimated that we will have about \$168,000.00 in the First National Bank account at the first of the year. This account only earns 0.10%. Ms. Mimiaga recommended that we transfer \$75,000.00 to the Edward Jones account and invest in higher yielding instruments. This will also leave more than enough in the account to continue paying the pension benefits.

Keenan Ertel made a motion to have the administrator place \$75,000.00 with Edward D. Jones from our First National Bank pension fund checking account, Orly Lucero seconded. The motion passed on the following vote:

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

New Business

A. 2013 Budget – Ms. Mimiaga went over the proposed 2013 budget line by line with the board. Overall the budget is projecting \$166,866 in fund revenue and \$160,807 in expenses, with an increase in fund balance of \$6,059.00. There were no questions on the budget as presented.

Mr. Bridgewater asked if the problem with Edward Jones being a legal depository for the pension fund had been finalized. Ms. Mimiaga commented that she had not gotten a final say from the attorney, but that she and Mike McAndrew, the account executive for the pension account at Edward Jones, had been working on it and believe everything is okay. The problem originated with Edward Jones when their legal department needed to know where in Colorado Law did it acknowledge that they were a suitable depository. The question was satisfied by their legal department with the states Prudent Investor Act. So for now everything is good with Edward Jones.

Ms. Johnson thanked Ms. Mimiaga for all the work she does for the pension board even though she does not actually work for the pension board. Mr. Ertel suggested that Ms. Mimiaga keep track of all the time she spends working on the pension fund, and that the pension board should pay the district for the time she spends on managing their accounts. Mr. M. Lindsay inquired if there could be a line item in the budget to pay for administrative fees. It would be much more expensive if the board had to have an outside entity handle the administrative needs for the pension board.

Matt Lindsay made a motion to add the administrative fees for twelve hours a month as a line item to the budget, Lori Johnson seconded. The motion passed on the following vote:

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

Executive Session

There was no executive session.

Adjournment

Having no further business to come before the board, Matt Lindsay made a motion to adjourn the meeting at 8:30 p.m., Orly Lucero seconded. The motion passed as follows:

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

Nic McDonald – President

Attest:

Kent Lindsay – Secretary / Treasurer