

UNAPPROVED

**THE SEMI-ANNUAL MEETING OF THE FIREFIGHTER'S
PENSION AND RELIEF BOARD HELD JUNE 5, 2009 AT
CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA, AT 8:30 A.M.**

FIRE CHIEF KEITH SPANGLER OPENED THE MEETING AT 8:50 A.M.

**PRESENT WERE: KEITH SPANGLER,
MARK ARCHER, RAY EMMERICH,
DARRELL FOSTER, VICKI VIVIAN
ABSENT: KEVIN DUNIVAN.**

- I. Call to Order: Chief Spangler called the meeting to order at 8:50 a.m.
- II. Roll Call: City Clerk Vicki Vivian took attendance of the Board.
- III. Call to the Public:
None.
- IV. Opening Remarks
and Agenda: None.
- V. Approval of Minutes
of February 28, 2008
Meeting:

Mark Archer moved to approve the minutes of the October 23, 2008 minutes as presented. Seconded by Darrell Foster. Motion passed 4-0.

- VI. Old Business: None.
- VII. New Business:

A. Treasurer's Report

1. Review and Discussion of Deposited Funds – Contributions to Pension Fund Fiscal Year 2008-2009 and 2009-2010

Jim Cox, Finance Director addressed the Board asking if he could address both items A and C at this time, with Chief Spangler indicating Mr. Cox could. Mr. Cox then addressed the Board stating the Pension fund would see an approximate \$14,000 deficit for the fiscal year of 2008-2009, indicating this was due to the economic turmoil since interest rates were at an all time low and the risk of investment was at an all time high. Mr. Cox stated that in anticipation of the economic conditions, he had moved the pension fund along with the City's investments, out of mortgage backed investments in safer lower yielding Treasury notes. Mr. Cox then stated economic expectations are that the current low interest rates will continue for the next year and that the risk environment will improve, however, Mr. Cox stated he felt interest rates would go up drastically in the next year and that inflation will affect our economy in the next 6 months. Mr. Cox then stated he had kept funds in short-term investments to be able to take advantage of higher interest rates and investment opportunities when they became available. Mr. Cox then stated since there was a deficit in the current fiscal year, he had recommended that the City appropriate \$20,000.00 to contribute covering the pension payment shortfall. Mr. Cox indicated if this appropriation is made, the Board would be able to continue the current pension payment of \$200.00 to recipients and the pension fund will increase from \$2,000.00 to \$4,000.00. Mr. Cox then stated the City Council had adopted the Tentative budget and felt the Final budget would be approved on June 22, 2009 with no changes.

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Mr. Cox then stated if the Final budget did not contain a contribution to the Firemen's Pension fund, the Board could hold an emergency meeting to address the possibility of changing the pension payment amount.

Chief Spangler then verified that all pension payments are made from interest earned on the pension fund with Mr. Cox stating all pension payments must be made from interest, whether earned in the current year or accrued interest. Chief Spangler asked Mr. Cox if the Fire Pension Board should continue to pursue a contribution from the City Council each year, with Mr. Cox stating he felt the City should contribute another \$20,000 in the fiscal year 2010-2011, a reduced amount in fiscal year 2011-2012 and possibly eliminating the contribution at that point, depending on the economic conditions, the number of recipients and other factors, stating the fund should be examined each year with a recommendation made to the Board and to the City Council.

B. 2008 Annual Report filing to the Office of the State Fire Marshall

Vicki Vivian, City Clerk and Deputy Secretary presented the Board with a copy of the 2008 Annual Report that was filed with the Officer of the State Fire Marshall after the final audit was issued for the City. Ms. Vivian stated this report is the same report given to the Board at the October 23, 2008 meeting. Ms. Vivian then stated at the next Board meeting, the 2009 Annual Report, due January 31, 2010, would be completed and presented to the Board for review..

C. Review of Current Pension Conditions

Jim Cox, Finance Director addressed the Board regarding the current pension conditions with the review and discussion of deposited funds. (See Item A).

D. Review and Possible Action Regarding Pension Payments

Chief Spangler stated after listening to Mr. Cox, he recommended the pension payments stay at the current amount of \$200.00 and that the Board could look at the payments at each meeting or at a special meeting to address the pension payment amount if they felt it was necessary. Mark Archer moved to leave the pension payments at \$200.00 per month; revisiting the payments at the next meeting. Seconded by Darrell Foster. Motion passed 4-0.

E. Pension Certification and Letter to Benefit Recipients

Chief Spangler stated a letter needed to be mailed to the State each year, at the beginning of July, indicating there was not change in the pension payment amount. Instructions were given to Vicki Vivian to mail notification letters to pension recipients stating the board's action.

VIII. Future Agenda items and meeting date:

After discussion, the Board directed the Chairman to schedule the next meeting November, 2009, since the City's audit would be complete by then. The Board then stated they would like to hold semi-annual meetings in April and October/November each year. No special items were added to the next agenda.

Jim Cox then addressed the Board stating a new recipient was added effective June, 2009 and that the next eligible recipient would be in 2012 with very little additional eligible recipients until the year 2019-2020.

IX. Adjournment:

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Mark Archer moved to adjourn at 9:10 a.m. Seconded by Ray Emmerich. Motion passed 4-0.