

Black Canyon Fire District
P O Box 967
34781 S Mud Springs Rd.
Black Canyon City, AZ 85324

**Minutes from May 16, 2011
Pension Board Meeting**

- ITEM I:** *Call to order:* The meeting was called to order at 0831 on Monday, May 16, 2011.
- ITEM II:** *Roll call:* Present – S. McMahon, S. Priest, J. Tilson, D. Myers, Chief Birch, E. Caldwell, J. Speer, A. Rapps, R. Johnson and K. Shoemaker.
- ITEM III:** *Minutes from February 27, 2011 Pension Board Meeting:* D. Myers motions to approve the Meeting Minutes from the February 27, 2011 Pension Board Meeting; J. Tilson seconds the motion. **Motion carries with a 5-0 unanimous vote.**
- ITEM IV:** *Bookkeeping report from February 27, 2011:* J. Tilson motions to approve the Bookkeeping Report from the February 27, 2011 Pension Board Meeting; D. Myers seconds the motion. **Motion carries with a 5 – 0 unanimous vote.**
- ITEM V:** *Swearing in of new Pension Board Members:* Andrew Rapps and Ryan Johnson were sworn in as new Pension Board Members.
- ITEM VI:** *Discuss and/or vote on recovering the loss of possible accredited time served for pension benefits by Engineer Jim Speer. The years in question are 1990 thru 1996:* J. Speer served in Operations from October 1990 to March 1993. He resigned from Operations and subsequently became a member of the BC Fire Board. J. Speer was re-hired as a reserve in March 1996 and was accepted into the pension. He received credit for the previous year (1995) but did not receive credit for the time he served as a volunteer firefighter at BCFD from 1990 – 1993. <J Tilson> We have discussed this with VFIS and have been advised it is possible to buy back time. What is unknown at this time is the cost. <E. Caldwell> We had a conference call with VFIS at 0700 this morning but as of yet, do not have figures to present. Apparently there may be several options available. VFIS is researching this information and will provide us with the results soon. It is her hope this information will be available by next week. <S. McMahon> It is difficult to make a decision without having figures. <J. Tilson> We can table the decision until we have more information. The question at this time is whether or not the Board feels compelled to investigate the opportunity of allowing the District to credit Jim for the years in question. <Chief> It is not J. Speer’s fault he wasn’t previously credited. <J. Tilson> Supports crediting if feasibly possible. <S. McMahon> Agrees. D. Myers motions to table the decision until figures are available; A. Rapps seconds the motion. **Motion carries with a 7 – 0 unanimous decision.**
- ITEM VII:** *Discuss and/or vote on Volunteer/Reserve Firefighter Alternative FICA Pension & Benefit Plan.* <J Tilson> The original plan with VFIS was to provide benefits to our community members that serve BCFD for many years. Our profile has not followed that pattern however as our reserves became transient. Such as it is, the economy has dictated

a longer service time for many of our reserves as well as forcing the District to review its budget. The committee has looked into a plan that is an alternative to FICA. It is essentially a deferred compensation program. With the Alternative FICA Pension & Benefit Plan, the member is responsible for the 7 1/2 % contribution and can save up to \$15, 500 annually. There are several benefits to this plan; there is no vesting time-frame, this plan can move with the member and be used to purchase time in Public Retirement or any other retirement fund, thereby allowing a full-timer to begin their career with immediate funds in their retirement. A member can continue to contribute to FICA and utilize this plan, too. The benefit to the Dept. is that it can decide when and/or how much to match, unlike FICA, which has mandatory matching. There are fees involved but they are per program, not per individual. For individuals like Al or Jim who receive points checks, they can opt to participate or not. < Chief> Does Jim and Al understand what is happening? <E. Caldwell> No, all of this is recent. When I talked to VFIS, they offered us several different options which they are putting into a package so we can present it to the Board (and this is how it ties in to the decision re: the potential credit for Jim). There is the option of continuing VFIS just for Jim and Al; or buying an annuity, or just giving them a lump sum to do with what they wish (but they would possibly be taxed on that amount). I really didn't want to talk to them until I had all the ducks in a row. <S. McMahon> It would be good for our young reserves because they are less likely to see Social Security. <J Tilson> This is one of the programs that is eligible to be rolled over into Public Retirement which is different than many programs out there. <E Caldwell> We are hoping to get this into effect by July 1st. D. Myers motions to adopt the Volunteer/Reserve Firefighter Alternative FICA Pension & Benefit Plan. R. Johnson seconds the motion. **Motion passes with a 6 -1 vote**, Chief abstaining until further information received on how the new plan would potentially effect Al and Jim.

ITEM VIII *Public Call:* None

ITEM IV: *Adjournment:* R. Johnson motions to adjourn. D. Myers seconds the motion.

Adjournment: 9:00 am

Authorized signature

Date