



Golden Valley Fire District

749 S Egar Road, Golden Valley, Arizona 86413
(928) 565-3479 • Fax: (928) 565-3223

website: www.goldenvalleyfire.org • e-mail: gdfd@goldenvalleyfire.org



The Golden Valley Volunteer Firefighters Pension and Retirement Board of Trustees held a meeting open to the public on **Thursday, December 14, 2023** at 10:00 a.m. at the Golden Valley Fire District Public Safety Training Center located at 423 S. Colorado Road, Golden Valley, Arizona 86413. The Board may vote to go into executive session on any agenda item, pursuant to A.R.S. §38-431.03(A) (3) for legal advice with the district's attorney on matters as set forth in the agenda item. Board members or other participants may attend by telephonic conference. The following topics and any variables thereto, will be subject to Board consideration, discussion, approval, or other action. All items are set for possible action.

MINUTES

1. Call to order: Chairman Kitter called the meeting to order at approximately 10:00 a.m.
2. Roll call of Board Members.
Members present were Sue Foster, Steve Kitter, Dave Cunningham, and Matt Gore. Brycen Rodriquez and Dave Martin were absent.
3. Pledge of Allegiance was recited.
4. Administer Oath of Office to new member: Brycen Rodriquez.
Brycen Rodriquez was absent.
5. Vacant seat on the board.
Mindy Kindelberger stated that Bryon Kimber has resigned. There is an opening on the board for a volunteer or POC of the district.
6. Approval of meeting minutes of December 8, 2022.
Sue Foster motioned to approve the minutes. Matt Gore 2nd. All in favor, motion carried.
7. Review and acceptance of annual report provided by Innes Associates, Ltd., administered by American Funds.
Mindy Kindelberger informed the Board that the ending balance as of June 30, 2023, is \$76,788.53. The fund gained \$4,440.52. We have five active accounts, and the suspense account has \$63,832.89.
Matt Gore motioned to accept the annual report as presented. Sue Foster 2nd. All in favor, motion carried.
8. Funding the volunteer pension plan for FY 2023/2024 from the reserves.
Mindy Kindelberger informed the Board that for the last five years the board voted to fund \$4,000 from the suspense account. Currently we have 3 volunteers eligible for funds, one volunteer will come eligible on January 1, 2024, and another one on July 1, 2023.
Sue Foster motioned to fund \$4,000 from the suspense account for FY 23-24. Matt Gore 2nd. All in favor, motion carried.

9. Discuss other options for the Volunteer Pension Funds.

Mindy Kindelberger informed the board that during the district's annual audit, the auditor reviews the volunteer pension plan and reports. They pointed out that we could be managing our own funds, which would eliminate the bookkeeping fees from Innes & Associates. We could move the funds to an account through the Mohave County Treasurers Office. The process for earning the funds is the same but instead of the money staying in the pension plan it would be deposited in an IRA. Each volunteer would have to open an IRA account. The funds earned would be run through payroll so Medicare can be deducted and then deposited into their IRA. The pros of this process are no more bookkeeping fees, funds cannot loss valve, funds are FDIC insured. Volunteers can manage their own money into investments. Volunteers don't have to separate from service to have access to the funds. If they are under 59 ½ there would be a 10% penalty. The cons are loss of divides from the market. Over the last ten years we have averaged \$2,652 annually. Three of those ten years we had losses. Also, the vesting schedule would have to be revisited as once the funds are placed in the IRA they are 100% owned by the volunteer. The vesting and other provisions of the plan would have to be taken to the governing board for changes. This plan was written in 1994 when the district had a large number of volunteers. Matt Gore asked Kitter what would he things would be best for the volunteers. Kitter replied that he would like to see a small stipend instead of this pension plan. Most volunteers are young kids that aren't going to stay long enough to benefit from a pension plan and most are not interested in it. Volunteers need help with expenses like gas. Matt Gore stated that the reasons for volunteering have changed, it used to be a way to get training and a full time job. Foster asked if we got rid of this pension and set up a volunteer stipend would that be more desirable to attract volunteers. Kindelberger stated that this money is pension money, IRS rules state it has to be used for pensions. It cannot be used for stipends, that would have to be funded through the budget process. Cunningham asked what happens to the money in the plan for the volunteers that have money in it. Kindelberger stated that for the past volunteers, we would contact them and pay them out through payroll. For the current volunteers the money will be deposited into their IRA after taxes are deducted. Any past volunteer that cannot be located the funds will go back into the suspense account. Then the suspense account would transfer to the Treasurers Office into a Retirement and Pension Account. Foster asked if this board can vote out the pension plan. Kindelberger replied, no. They can move the funds, they cannot cancel the pension plan. Foster felt that we should bring this to the governing board. Gore asked what the best thing is for the district. Kindelberger stated that with the current balance the gains are the best thing for the district. Once that balance starts falling and our expenses exceed our gains in the market then it would be a very simple decision. We are averaging \$2,600 a year in income and paying out \$4,000. But, that 4k payout is still in the plan earning until a volunteer separate from service and requests their funds to be paid to them. But if the pension plan is not benefiting the volunteers, then it is defeating the purpose of having it. Cunningham added that if this account is depleted and then needs to be funded out of the budget, it will be the first thing that will be cut if the budget comes up short. The Chief felt that we need to get some input from the governing board since they control the plan provisions. Kitter felt that we need to do more research on this issue. Kindelberger stated that she could reach out to other districts and see how they manage their volunteer pension funds. Sue Foster asked staff to look into more options on managing volunteer pension funds and schedule a future meeting.

10. Adjournment.

Sue Foster motioned to adjourn. Matt Gore 2nd. All in favor, motion carried. The meeting adjourned at approximately 10:35 am.

Minutes prepared by Mindy Kindelberger
(This is a working draft until board approval.)

Date: 12/14/2023
Approved:

DRAFT