



**Superstition Fire & Medical District**  
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**Public Safety Personnel Retirement System**  
**Local Pension Board Meeting Minutes**

**April 7, 2015**

PURSUANT TO A.R.S. 38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT ("SFMD") PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ("PSPRS"), THE LOCAL PENSION BOARD HELD A MEETING ON TUESDAY, APRIL 7, 2015. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, AT 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA. THE MEETING WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 4:05 P.M.

- A. Chairperson Gene Gehrt called the meeting to order at 4:05 p.m.
- B. The Pledge of Allegiance was led by Board Member Jim Geil.
- C. Roll Call showed Local Board Member Chairperson Gene Gehrt, Local Board Member Jim Geil, and Local Board Member Carlos Rivera were present. Local Board Members Ruth Heer and Ryan Philips were absent. Also present was Assistant Chief Mike Farber and Local Board Secretary Roger Wood.

1. *Review and possible approval of the December 22, 2014 Local Pension Board meeting minutes.*

Motion by Local Board Member Geil to approve the December 22, 2014 Local Pension Board meeting minutes. Seconded by Board Member Rivera. Vote 3 ayes, 0 nays. Motion passed.

2. *Call to Public.*

None.

3. *Discussion and possible approval of the Administrative Rules of Local Board Procedure for the SFMD Public Safety Personnel Retirement System (PSPRS) Local Board.*

Secretary Wood provided the Board with an overview of the changes made to the Administrative Rules originally adopted in January 2010:

- Update of the District name to Superstition Fire & Medical District.
- Section 1. Revision of the definition and length of Board member terms.
- Section 2. Update to reflect the need for the Board to meet twice a year.
- Section 10. Revision of who will preside as Acting Chairman.
- Section 16. Addition of definition of DROP program.

Motion by Board Member Rivera to approve the revised Administrative Rules of Local Board Procedure updated and presented to the Local Pension Board on April 7, 2015. Seconded by Board Member Geil. Vote 3 ayes, 0 nays. Motion passed.

4. *Discuss and review of Local Pension Board roles and responsibilities.*

Due to the fact that several of the current Board members were newly elected, Chairperson Gehrt had requested the following reference guides related to the roles and responsibilities of performing the duties of a Local Pension Board member be provided to the Board:

- Public Safety Personnel Retirement System – Local Board Duties
- PSPRS – Your Retirement System – Local Board Duties FAQs

No motion was required; this agenda item was for informational purposes only.

5. *Discussion and possible approval of regarding realignment of the Local Pension Board member length of service.*

Motion by Board Member Geil to approve the 4-year term of each SFMD Local Pension Board member other than the Chairperson, including the current board members, as beginning in January and ending in December four years later, with the term of citizen appointees beginning in odd years, and the term of elected employee members beginning in even years. The terms of the current Local Pension Board members will expire as follows: Ruth Heer in December 2015; Ryan Philips in December 2016; Jim Geil in December 2017, and Carlos Rivera in December 2018. In addition, a motion to approve the most senior Board member attending the meeting to serve as Acting Chairperson whenever the Chairperson is absent. Seconded by Board Member Rivera. Votes 3 ayes, 0 nays. Motion passed.

6. *Discussion and possible approval of the consolidated results of the June 30, 2014 Arizona Public Safety Personnel Retirement System actuarial validation.*

Mr. Wood provided the Board with an overview of the PSPRS actuarial report dated June 30, 2014 which included:

- For the fiscal year ending June 30, 2014, the PRPRS fund experienced a loss of \$210,040,000 (2.0%) with the largest contributing factor being an overall loss on investments of \$281,753,000 (2.7%).
- The employee or individual contribution rate was set at 11.65% for FY15/16, up from 11.05% in FY14/15.
- A brief background on the Fields lawsuit, the Arizona Supreme Court's overturn of prior pension reforms regarding pension escalator factors, and the "prior to vs. after phase-in" terminology and impact.
- A brief overview of the Hall lawsuit and its potential impact on the PSPRS fund.

Motion by Board Member Rivera to approve the consolidated results of the June 30, 2014 Arizona Public Safety Personnel Retirement System actuarial validation. Seconded by Board Member Geil. Votes 3 ayes, 0 nays. Motion passed.

7. *Discussion and possible approval of the annual actuarial valuation as of June 30, 2014 of the Superstition Fire & Medical District participation in the Arizona Public Safety Personnel Retirement System.*

Mr. Wood provided the Board with an overview of the District's PSPRS actuarial report dated June 30, 2014 which included:

- The District's employer contribution rate for FY15/16 is 20.32% prior to phase-in.
- The employee or individual contribution rate is 11.65%
- The Alternate Contribution Rate (ACR) for the District is 28.62% for FY15/16.
- As of June 30, 2014 for the District:
  - o Number of participants 96
  - o Average age 40.7 years
  - o Average service 12.6 years
  - o Number of retirees 12 (8 service and 4 disability pensions)
  - o Average annual pension \$47,516
  - o Pension Funding Ratio 75.5% (down from 80.5% as of 6/30/13)

Motion by Board Member Geil to approve the District's consolidated results of the June 30, 2014 Arizona Public Safety Personnel Retirement System actuarial validation. Seconded by Board Member Rivera. Votes 3 ayes, 0 nays. Motion passed.

8. *Discussion and possible approval of Mike Farber's application to participate in the DROP program.*

This agenda item was tabled; no discussion was held.

9. *Announcements and Information.*

PSPRS Local Board Newsletters for the following periods were provided to the Board:

- o March / April 2014 Newsletter
- o May / June 2014 Newsletter
- o July / August 2014 Newsletter
- o September / October 2014 Newsletter
- o November / December 2014 Newsletter
- o January / February 2015 Newsletter

Mr. Wood stated that Board Member Ryan Philips had submitted his resignation from the Local Pension Board on April 2, 2015. The process of identifying Philips' successor would commence in the next few weeks with the intent of having his replacement available for seating at the next Local Pension Board meeting tentatively scheduled for July 14.

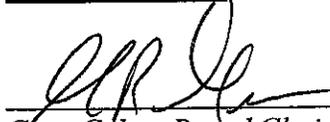
Chairperson Gehrt asked Mr. Wood to contact Ms. Heer to confirm she still is interested in being a Board Member on the Local Pension Board.

10. *Adjourn.*

Motion by Board Member Rivera to adjourn the meeting at 4:38 p.m. Seconded by Board Member Geil. Vote 3 ayes, 0 nays. Motion passed.

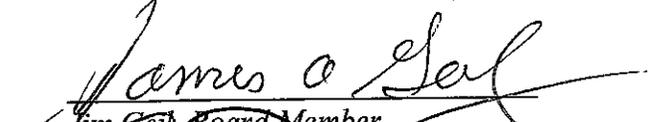
**Board Approval:**

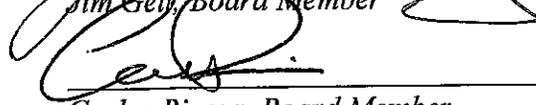
**Preliminary Board minutes mailed to PSPRS on April 13, 2015.**

  
\_\_\_\_\_  
*Gene Gehrt, Board Chairperson*

*Absent*  
\_\_\_\_\_  
*Ruth Heer, Board Member*

*Absent*  
\_\_\_\_\_  
*Ryan Philips, Board Member*

  
\_\_\_\_\_  
*James A. Geil, Board Member*

  
\_\_\_\_\_  
*Carlos Rivera, Board Member*

Roger Wood