



Superstition Fire & Medical District
565 North Idaho Road, Apache Junction, AZ 85119
Phone (480) 982-4440, Fax (480) 982-0183
www.sfmd.az.gov



Public Safety Personnel Retirement System
Local Pension Board Meeting Minutes

May 16, 2017

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, MAY 16, 2017. 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 4:00 P.M.

- A. Chairperson Gene Gehrt called the meeting to order at 4:00 p.m.
- B. The Pledge of Allegiance was led by Board Director Briones.
- C. Roll Call showed Local Board Chairperson Gene Gehrt and Local Board Members Jim Geil, Ruben Briones and Ron Olm were present. Board Member Carlos Rivera was absent. Also present were Finance Director Roger Wood, Firefighter Stephan Gereg, Assistant Chief Mike Farber and HR Generalist Sherry Mueller.

1. *Review and possible approval of the February 14, 2017 Local Pension Board meeting minutes.*

Motion by Local Board Member Geil to approve the February 14, 2017 Local Pension Board minutes. Second by Local Board Member Briones. Vote 4 ayes, 0 nays. Motion passed. Chairperson Gehrt signed the February 14, 2017 Local Pension Board meeting minutes.

2. *Call to Public.*

None.

3. *Discussion and possible approval of Stephan Gereg's application to participate in the DROP program.*

Firefighter Stephan Gereg has applied to enter the DROP program on 5/16/2017. He has completed all the necessary paperwork.

Stephan must terminate employment with SFMD no later than 5/31/2022 in order to comply with DROP guidelines. Stephan started with SFMD on 7/22/1996 and enters the DROP with 20.819 years of service.

Motion by Local Board Member Briones to approve Stephan Gereg's application to participate in the DROP program. Seconded by Local Board Member Geil. Vote 4 ayes, 0 nays. Motion passed.

4. *Discussion regarding upcoming changes to the PSPRS program(s), if necessary.*

Two brief videos were shared explaining the overview of PSPRS Pension Reform (video #1) and the Defined Contribution Retirement Plan (video #2) that will go into effect on 7/1/2017 for those hired after January 1, 2012 and before July 1, 2017.

Roger Wood discussed that PSPRS is going through a series of changes as a result of the Hall Case providing a brief overview of a new consequence of SB1428 that becomes effective July 1, 2017. At that time, all firefighters hired after 12/31/2011 are considered "Tier 2B" firefighters and will be eligible for participation in a new Defined Contribution ("DC") retirement plan that is to serve as a pseudo DROP program for these employees who, by the nature of their beginning service date, are not currently eligible to participate in the DROP program.

The program is set up to be a "negative response" plan, meaning the firefighters are automatically enrolled unless they opt out. Their decision is final for the length of their career; therefore so they cannot opt out and join later, nor can they opt in and then later drop out.

The cost to the District is 4% of the employees' gross wages, and 3.0% for the employee once the Districts contributions end. The schedule of participation is below:

<u>Calendar Year Hired</u>	<u>ER 4% Contribution Rate</u>	<u>3% Employee Contribution Rate</u>
2012	7/1/17 through 6/30/2024	7/1/2024 and thereafter
2013	7/1/17 through 6/30/2023	7/1/2023 and thereafter
2014	7/1/17 through 6/30/2022	7/1/2022 and thereafter
2015	7/1/17 through 6/20/2021	7/1/2021 and thereafter
2016	7/1/17 through 6/30/2020	7/1/2020 and thereafter
1/1/17 & 6/30/17	7/1/17 through 6/30/2018	7/1/2018 and thereafter

5. *Additional tentative dates in 2017 have been established for future Local Pension Board meetings:*

- August 15, 2017
- November 14, 2017

Motion by Local Board Member Olm to approve August 15, 2017 as the date for the next regularly scheduled Local Pension Board meeting. Seconded by Board Member Briones. Vote 4 ayes, 0 nays. Motion passed.

6. *Announcements and Information.*

None.

7. *Adjourn.*

Motion by Board Member Geil to adjourn the meeting at 4:23 p.m. Seconded by Board Member Briones. Vote 4 ayes, 0 nays. Motion passed.

Board Approval:

Preliminary minutes mailed to PSPRS on May 17, 2017.



Gene Gehrt, Board Chairperson

Roger Wood