

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

PURSUANT TO A.R.S. §38.431.02

Notice is hereby given to the general public the Superstition Fire & Medical District (SFMD) Public Safety Personnel Retirement System Local Pension Board will hold a meeting on Tuesday, September 12, 2017. The meeting will be held at the Superstition Fire & Medical District's Administrative Office, located at 565 N. Idaho Road, Apache Junction, Arizona. The meeting will be open to the general public and will begin at 4:00 pm local time.

AGENDA:

- A. Call to Order.
- B. Pledge of Allegiance.
- C. Roll Call.

The following items are to be discussed at the board meeting; action or decisions may or may not be taken on any or all items. Agenda items may or may not be considered in the order listed:

1. Review and possible approval of the June 15, 2017 Local Pension Board meeting minutes.
2. Call to Public.
A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.
Scheduled: none at time of printing
3. Discussion and possible approval of Paul Bourgeois' application to retire from PSPRS.
4. Discussion and possible approval of Hanson Douglas Taylor's termination of his participation in the DROP program and apply for normal retirement.
5. Discussion regarding the true cost of hiring PSPRS Tier 3 employees.
6. Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board meeting.
7. Announcements and Information.
8. Adjourn.

Notice: The Local Pension Board may go into Executive Session for the purpose of obtaining legal advice from the Fire District's attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3). One or more members of the Local Pension Board may attend the meeting telephonically.

Local Pension Board meeting agenda dated and posted:

On: August 31, 2017
At: 1730 hours
By: Sherry Mueller

Local Pension Board Meeting – September 12, 2017

Agenda Item 1:

Agenda Item Title: Review and possible approval of the June 15, 2017 Local Pension Board meeting minutes.

Background / Discussion:

The Local Pension Board meeting minutes are provided for Local Board review, comment, and approval. After approval, minutes are signed and kept as official public record and a copy is sent to Public Safety Personnel Retirement System.

Recommended Motion: *(please read motion as written)*

Motion to approve the June 15, 2017 Local Pension Board meeting minutes.

Enclosure: Local Pension Board Meeting Minutes from June 15, 2017.



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Public Safety Personnel Retirement System
Local Pension Board Meeting Minutes

June 15, 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, JUNE 15, 2017. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, AT 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA. THE MEETING IS OPEN TO THE GENERAL PUBLIC AND WILL BEGIN AT 4:08 P.M.

- D. Chairperson Gene Gehrt called the meeting to order at 4:08 p.m.
- E. The Pledge of Allegiance was led by Board Director Rivera.
- F. Roll Call showed Local Board Chairperson Gene Gehrt and Local Board Members Carlos Rivera and Ruben Briones. Board Members Jim Geil and Ron Olm were absent. Also present were Finance Director Roger Wood and HR Generalist Sherry Mueller.
- 9. *Review and possible approval of the May 16, 2017 Local Pension Board meeting minutes.*

Motion by Local Board Member Briones to approve the May 16, 2017 Local Pension Board minutes. Second by Local Board Member Rivera. Vote 3 ayes, 0 nays. Motion passed. Chairperson Gehrt signed the May 16, 2017 Local Pension Board meeting minutes.

- 10. *Call to Public.*

None.

- 11. *Discussion and possible action regarding issues pertaining to the Hall-Parker payments.*

Roger Wood summarized the Hall-Parker payments by saying there are 68 employees affected including a mix of current and retired in varying dollar amounts. The total refund is approximately \$895,000. The Pension Board will need to make a recommendation to the Big Board for a payout date. Employees can use the funds to max-out their 457(b) plan for 2017 and they may also want to adjust taxes for one payroll. FICA has already been paid on the contributions and no Medicare will be deducted again. Roger is working on this to prevent any issues on the W-2.

Consider recommending a pay out on August 4th, 2017. Roger said we will use our line of credit to pay this out. According to an agreement with Wells Fargo, the line of credit must be paid back by the end of the fiscal year. Members affected should be able to get their dollar amounts on the PSPRS website on Friday, June 16, 2017.

Interest will be paid out separately. The cost of the interest will be determined by the courts and could possibly be 10%, however the interest rate is still not determined. Interest payment is taxable but will not be considered wages. Affected employees will have to file a W-9 before they can receive the interest payment. Roger would like to have the interest paid by the end of 2017. Affected employees will receive a 1099-INT in January, 2018.

Board Chairperson Gehrt said their objective is to get the members paid as soon as possible.

Motion by Local Board Member Rivera to approve a recommendation to the Big Board to pay out the money on August 4th, 2017, using the District's line of credit to do so. Seconded by Local Board Member Briones. Vote 3 ayes, 0 nays. Motion passed.

4. Announcements and Information.

Roger Wood stated that we may need to reschedule the August 15th, 2017 Local Pension Board Meeting due to Captain Doug Taylor's termination of DROP participation. Captain Taylor's last day will be September 17, 2017.

5. Adjourn.

Motion by Board Member Briones to adjourn the meeting at 5:10 p.m. Seconded by Board Member Rivera. Vote 3 ayes, 0 nays. Motion passed.

Board Approval:

Preliminary minutes mailed to PSPRS on July 11, 2017.

Gene Gehrt, Board Chairperson

Sherry Mueller

Local Pension Board Meeting – September 12, 2017

Agenda Item: 2

Agenda Item Title: Call to Public.

A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

Background / Discussion:

Call to Public is provided so citizens may address the public body (Local Pension Board) with matters concerning the retirement system. Arizona public meeting law provides that the public body may discuss, consider, or decide only matters listed on the agenda and other matters related thereto. Since the public body will generally not know what specific matters may be raised at call to public, they will be unable to act until the matter is placed on a subsequent meeting agenda (at the Local Board's discretion). The Local Board may also direct staff to follow up on an issue.

Recommended Motion: Not applicable

Enclosure: None

Local Pension Board Meeting – September 12, 2017

Agenda Item: 3

Agenda Item Title: Discussion and possible approval of Paul Bourgeois' application to retire from PSPRS.

Background / Discussion:

Fire Chief Paul Bourgeois has applied to retire from PSPRS on 9/18/2017. He has completed all the necessary paperwork.

Paul must terminate employment with SFMD no later than 9/18/2017. Paul started with SFMD on 11/1/2012 and retires with 25.013 years of service.

Recommended Motion: *(please read motion as written)*

“Motion to approve Paul Bourgeois' application to retire on 9/18/17 and acknowledge that Paul must terminate employment with Superstition Fire & Medical District on September 12, 2017.”

Enclosure: Completed forms will be provided at the Local Pension Board meeting.

Local Pension Board Meeting – September 12, 2017

Agenda Item: 4

Agenda Item Title: Discussion and possible approval of Hanson Douglas Taylor’s application to EXIT the DROP program.

Background / Discussion:

Captain Doug Taylor has applied to exit the DROP program on 9/17/2017. He has completed all the necessary paperwork.

Doug will terminate employment with SFMD on 9/17/2017 in order to comply with DROP guidelines. Doug started with SFMD on 12/18/1992 and exits the DROP with 24.76 years of service.

Recommended Motion: *(please read motion as written)*

“Motion to approve Doug Taylor’s application to Exit the DROP program and acknowledge that Doug will terminate employment with Superstition Fire & Medical District on September 17, 2017.”

Enclosure: Completed forms will be provided at the Local Pension Board meeting.

Local Pension Board Meeting – September 12, 2017

Agenda Item: 5

Agenda Item Title: Discussion regarding the true cost of hiring PSPRS Tier 3 employees.

Background / Discussion:

For SFMD employees and the District, the contribution rates on gross wages for Tier 3 employees are listed below:

	<u>Employer</u>	<u>Employee</u>
Defined Benefit		
Base Contribution	9.94%	9.94%
Disability Insurance	0%	0%
District “legacy” costs	<u>10.72%</u>	<u>N/A</u>
	20.66%	9.94%
Hybrid DC plan	<u>3.00%</u>	<u>3.00%</u>
	23.66%	12.94%
Defined Contribution		
Base Contribution	9.00%	9.00%
Disability Insurance	1.17%	1.17%
District “legacy” costs	<u>10.72%</u>	<u>N/A</u>
	20.89%	10.17%

Recommended Motion: Informational only; no motion required

Enclosure: None

Local Pension Board Meeting – September 12, 2017

Agenda Item: 6

Agenda Item Title: Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board Meeting.

Background / Discussion:

In accordance with ARS §38-847 (3), a local pension board meeting will be held at least twice annually, otherwise scheduled as needed. In the absence of a quorum (consisting of three member, at least one of whom shall be one of the members elected by secret ballot) for a scheduled meeting, the Chairperson or any two members of the Board may reschedule the meeting as a special meeting. Any meeting may be continued to a later date.

At the past meeting, we proposed the following dates:

- December 12, 2017

Additional meetings may need to be held to address the following, with the actual dates to be determined at a future date:

- A. Any action items that come about as the result of the Hall vs. PSPRS court ruling.
- B. To facilitate DROP applications not currently known.

All meetings would be held at 4:00 p.m. in the SFMD Administration Board Room.

If it is determined that there is no need for one of these regularly scheduled meetings, the Local Board Chairperson will have the authority to reschedule or cancel any meeting.

Recommended Motion: *Motion to approve December 12, 2017 as the date of the next scheduled Local Pension Board meeting.*

Enclosures: None.

Local Pension Board Meeting – September 12, 2017

Agenda Item: 7

Agenda Item Title: Announcements and Information.

Local Board may direct staff to act on any of these items or request that they be added to the next meeting agenda.

None.

Local Pension Board Meeting – September 12, 2017

Agenda Item: 8

Agenda Item Title: Adjourn.

Recommended Motion: *Motion to adjourn the Local Pension Board meeting.*

Enclosure: None.