

**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, December 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 September 12, 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 Rob Bessee's application to participate in the DROP program.
4. Discussion and possible approval of new hire retirement membership into the Public Safety Personnel Retirement System.
5. Discussion and possible approval of the consolidated results of the June 30, 2016 Arizona Public Safety Personnel Retirement System actuarial validation.
6. Discussion and possible approval of the annual actuarial valuation as of June 30, 2016 for the Superstition Fire & Medical (Apache Junction Fire District – 148) District's participation in the Arizona Public Safety Personnel Retirement System.
7. Discussion regarding upcoming changes to the PSPRS program(s), if necessary.
8. Discussion and possible action regarding appointment of vacant Director position on the SFMD Public Safety Personnel Retirement Local Board.
9. Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board meeting.

## 10. Announcements and Information

## 11. 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 UPDATED meeting agenda dated and posted:

On: December 11, 2017

At: 1500 hours

By: Jasmin Jones

Local Pension Board meeting agenda dated and posted:

On: December 5, 2017

At: 1730 hours

By: Sherry Mueller

**Local Pension Board Meeting – December 12, 2017**

**Agenda Item 1:**

**Agenda Item Title:** Review and possible approval of the September 12, 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 September 12, 2017 Local Pension Board meeting minutes.”*

**Enclosure:** Local Pension Board Meeting Minutes from September 12, 2017.



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

**September 12, 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, SEPTEMBER 12, 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.

- D. Chairperson Gene Gehrt called the meeting to order at 4:00 p.m.
- E. The Pledge of Allegiance was led by Board Director Briones.
- F. Roll Call showed Local Board Chairperson Gene Gehrt and Local Board Members Carlos Rivera, Ruben Briones, Jim Geil and Ron Olm were present. Also present were Board Secretary Sherry Mueller, Finance Director Roger Wood and Assistant Chief Rich Mooney.
- 5. *Review and possible approval of the June 15, 2017 Local Pension Board meeting minutes.*

Motion by Local Board Member Briones to approve the June 15, 2017 Local Pension Board minutes. Second by Local Board Member Olm. Vote 5 ayes, 0 nays. Motion passed. Chairperson Gehrt signed the June 15, 2017 Local Pension Board meeting minutes.

- 6. *Call to Public.*

None.

- 7. *Discussion and possible approval of Paul Bourgeois' application to retire from PSPRS.*

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.

Motion by Local Board Member Rivera 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 18, 2017. Seconded by Local Board Member Geil. Vote 5 ayes, 0 nays. Motion passed.

8. *Discussion and possible approval of Hanson Douglas Taylor’s application to EXIT the DROP program.*

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.

Motion by Local Board Member Briones to approve Hanson Doug Taylor’s termination of DROP on 9/17/17 and acknowledge that Hanson must terminate employment with Superstition Fire & Medical District on September 17, 2017. Seconded by Local Board Member Geil. Vote 5 ayes, 0 nays. Motion passed.

9. *Discussion regarding the true cost of hiring PSPRS Tier 3 employees.*

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%

Summary: Hiring PSPRS Tier 3 employees is more costly than we previously thought.

Informational only; no motion required.

10. *Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board Meeting.*

December 12, 2017

Motion by Local Board Member Olm to approve December 12, 2017 as the date for the next regularly scheduled Local Pension Board meeting. Seconded by Board Member Geil. Vote 5 ayes, 0 nays. Motion passed.

*11. Announcements and Information.*

None.

*12. Adjourn.*

Motion by Board Member Rivera to adjourn the meeting at 4:11 p.m. Seconded by Board Member Olm. Vote 5 ayes, 0 nays. Motion passed.

**Board Approval:**

**Preliminary minutes mailed to PSPRS on September 12, 2017.**

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*Gene Gehrt, Board Chairperson*

Sherry Mueller

## **Local Pension Board Meeting – December 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 – December 12, 2017

### Agenda Item: 3

#### **Agenda Item Title: Discussion and possible approval of Rob Bessee's application to participate in the DROP program.**

Captain Rob Bessee has applied to enter the DROP program on 12/31/2017. He has completed all the necessary paperwork. Rob must terminate employment with SFMD no later than 12/31/2022 in order to comply with DROP guidelines. Rob started with SFMD on 1/15/2001 and enters the DROP with 25.030 years of service, which includes 8.068 years of prior service at another agency.

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

*"Motion to approve Rob Bessee's application to participate in the DROP program and acknowledge that Rob must terminate employment with Superstition Fire & Medical District on or before 12/31/2022."*

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

### Agenda Item: 4

#### **Agenda Item Title: Discussion and possible approval of new hire retirement membership into the Public Safety Personnel Retirement System.**

#### **Background / Discussion:**

Participation in the PSPRS requires that the Local Board approve new membership and note if there are any pre-existing medical conditions as employees are hired. Currently, HR staff reviews the medical reports and advises the Local Board of any pre-existing conditions.

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

*"Motion to approve Firefighters Trenton McMinn and Zachary Leon with a start date of October 2<sup>nd</sup>, 2017, both with no pre-existing condition(s)."*

**Enclosures:** None



## Local Pension Board Meeting – December 12, 2017

### Agenda Item: 5

**Agenda Item Title:** Discussion and possible approval of the consolidated results of the June 30, 2016 Arizona Public Safety Personnel Retirement System actuarial validation.

**Background / Discussion:**

Per A.R.S. §38-847(D)(7), the Local Board is “To receive and review the actuarial valuation of the system for its group of members.” This report is the consolidated result of the total fund for all of the Arizona PSPRS as of June 30, 2016.

The entire report can be accessed via the following link:

<http://www.psprs.com/investments--financials/annual-reports>

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

*“Motion to approve the consolidated results of the June 30, 2016 Arizona Public Safety Personnel Retirement System actuarial validation.”*

**Enclosures:** None

### Agenda Item: 6

**Agenda Item Title:** Discussion and possible approval of the annual actuarial valuation as of June 30, 2016 for the Superstition Fire & Medical (Apache Junction Fire District - 148) District’s participation in the Arizona Public Safety Personnel Retirement System.

**Background / Discussion:** This report is also to be received and reviewed per A.R.S. This report provides the annual actuarial valuation of the Superstition Fire & Medical District’s participation in the Arizona Public Safety Personnel Retirement System as of June 30, 2016, and applies directly to SFMD, with our current benefits and liabilities.

	FY16/17	FY17/18
SFMD Contribution Rate	20.88%	25.88% + 4.0%
Employee Contribution Rate	11.65%	7.65% / 11.65%
Alternate Contribution Rate	9.41%	13.94%

## Local Pension Board Meeting – December 12, 2017

The entire report can be accessed via the following link:

<https://members2.psprs.com/Estimators/actuarials.aspx>

Use the Drop Down windows to choose Superstition Fire And Medial Dis (PSPRS) (148) and Fiscal year 2016 to retrieve the full report.

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

*“Motion to approve the annual actuarial valuation as of June 30, 2016 for the Superstition Fire & Medical District’s participation in the Arizona Public Safety Personnel Retirement System.”*

**Enclosures:** PSPRS Executive Summary – Superstition Fire & Medical District (148) – Section A  
(last page of the Board deck)

**Agenda Item: 7**

**Agenda Item Title:** Discussion regarding upcoming changes to the PSPRS program(s), if necessary.

**Background / Discussion:**

At the time this Deck is being prepared, we do not have any information on the PSPRS interest payments.

**Recommended Motion:** Informational only; no motion required

**Enclosure:** None

**Local Pension Board Meeting – December 12, 2017**

**Agenda Item: 8**

**Agenda Item Title: Discussion and possible action regarding appointment of vacant Director position on the SFMD Public Safety Personnel Retirement Local Board.**

**Background / Discussion:**

December 2017 marks the end of Director Jim Geil's position on the SFMD PSPRS Board. The Chairman and Board can decide to take action by requesting Director Geil to extend his term, or recognize a new Director on the Board following ARS.

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

**TBD**

**Local Pension Board Meeting – December 12, 2017**

**Agenda Item: 9**

**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 date:

- ***Tuesday, March 13, 2018***

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

***“Motion to approve March 13, 2018 as the date of the next scheduled Local Pension Board meeting.”***

**Enclosures:** None.

**Local Pension Board Meeting – December 12, 2017**

**Agenda Item: 10**

**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.

**Agenda Item: 11**

**Agenda Item Title: Adjourn.**

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

*“Motion to adjourn the Local Pension Board meeting.”*

**Enclosure:** None.