



Superstition Fire & Medical District

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Public Safety Personnel Retirement System **Local Pension Board Meeting Minutes**

June 16, 2020

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 16, 2020. 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. Chairman Larry Strand called the meeting to order at 4:00 p.m.
- B. The Pledge of Allegiance was led by Director John Walka.
- C. Roll Call showed Local Board Chairman Larry Strand, Board Member Ron Olm, Board Member Jim Geil, Board Member John Walka and Board Member Chuck Hanson (via conference call) were present. Also present were Fire Chief Mike Farber, Board Secretary Sherry Mueller, Administrative Services Director Anna Butel, Assistant Chief Richard Mooney, Acting Assistant Chief Jeff Cranmer and Finance Director Roger Wood.

Prior to the meeting, there was a Swearing in of Local Pension Board Member Captain John Walka for a temporary term in replacement of Captain Ruben Briones who retires this month from PSPRS.

Background / Discussion: Board Member Ruben Briones is retiring from PSPRS on June 30, 2020. Captain John Walka has been selected to sit temporarily on the Local Pension Board until membership can vote on a new Pension Board member.

1. *Review and possible approval of the January 14, 2020 Local Pension Board meeting minutes.*

Motion by Local Board Member Ron Olm to approve the January 14, 2020 Local Pension Board minutes.

Seconded by Local Board Member Jim Geil.

Vote 5 ayes, 0 nays. **Motion passed.**

2. *Call to Public.*
None.
3. Discussion and possible approval of Brett Broman's application to participate in the DROP program entering on 7/9/2020.

Battalion Chief Brett Broman has applied to enter the DROP program on 7/9/2020. He has completed all the necessary paperwork.

Brett must terminate employment with SFMD no later than **7/31/2025**. Brett started with SFMD on 7/10/1995 and enters the DROP with 25.002 years of service.

Motion by Board Member Jim Geil to approve Brett Broman's application to participate in the DROP program and acknowledge that Brett must terminate employment with Superstition Fire & Medical District on or before **7/31/2025**."

Seconded by Local Board Member Ron Olm

Vote 5 ayes, 0 Nays. **Motion passed.**

4. Discussion and possible approval of Michael Wolfe's application to participate in the DROP program on 6/30/2020.

Engineer Michael Wolfe has applied to enter the DROP program on 6/30/2020. He has completed all the necessary paperwork.

Mike must terminate employment with SFMD no later than **6/30/2025**. Mike started with SFMD on 6/27/1994 and enters the DROP with 26.012 years of service.

Motion by Board Member Ron Olm to approve Michael Wolfe's application to participate in the DROP program and acknowledge that Mike must terminate employment with Superstition Fire & Medical District on or before **6/30/2025**

Seconded by Local Board Member Jim Geil

Vote 5 ayes, 0 Nays. **Motion passed.**

5. Discussion and possible approval of Ruben Briones' application to retire from PSPRS on 6/30/2020.

Captain Ruben Briones has applied to retire from PSPRS on 6/30/2020. He has completed all the necessary paperwork.

Ruben must terminate employment with SFMD no later than 6/30/2020. Ruben started with SFMD on 9/12/2005 and retires with 20.044 years of service.

Motion by Board Member John Walka to approve Ruben Briones' application to retire on 6/30/2020 and acknowledge that Ruben must terminate employment with Superstition Fire & Medical District on June 30, 2020.

Seconded by Local Board Member Jim Geil and Board Member Chuck Hanson

Vote 5 ayes, 0 Nays. **Motion passed.**

6. Discussion and possible approval of the Comprehensive Annual Financial Report (CAFR) that documents the consolidated actuarial valuation results for the Arizona Public Safety Personnel Retirement System as of June 30, 2019.

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, 2019.

The entire Comprehensive Annual Financial Report (CAFR) can be accessed via the following link:

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

At the highest summary level, the report indicates the following key metrics for the consolidated PSPRS pension system:

A. Funded percentage:	June 30, 2019	June 30, 2018
Tier 1 & 2 Pension	46.4%	45.8%
Tier 1 & 2 Health	120.2%	110.4%
Tier 3 Pension	123.1%	92.1%
Tier 3 Health	234.5%	104.2%

- B. PSPRS received a clean audit opinion from the audit firm Heinfeld, Meech & Co., P.C.

Motion by Board Member Jim Geil to approve the Comprehensive Annual Financial Report that documents the consolidated actuarial valuation results of the Arizona Public Safety Personnel Retirement System as of June 30, 2019”.

Seconded by Local Board Member Ron Olm

Vote 5 ayes, 0 Nays. **Motion passed**

7. Discussion and possible approval of the annual actuarial valuation report prepared by Foster & Foster Actuaries and Consultants as of June 30, 2019 for the Superstition Fire & Medical District's (148) 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, 2019, and applies directly to SFMD, with our current benefits and liabilities.

	July 1, 2018	July 1, 2019
SFMD Tier 1 & Tier 2 Contribution Rate	29.48%	31.84%
SFMD Tier 2 Defined Contribution Rate	4.00%	4.00%
SFMD Tier 3	25.34%	26.01%
SFMD Tier 3 Defined Contribution Rate	3.00%	3.00%
Employee Contribution Rate	7.65% / 11.65%	7.65%/11.65%
SFMD Tier 1 & 2 Funded Ratio	66.4%	65.0%
SFMD Tier 3 Funded Ratio	116.9%	89.3%

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 Medical District (PSPRS) (148) and Fiscal year 2019 to retrieve the full report.

Motion by Board Member John Walka to approve the annual actuarial valuation report as of June 30, 2019 for the Superstition Fire & Medical District's participation in the Arizona Public Safety Personnel Retirement System.”

Seconded by Local Board Member Ron Olm

Vote 5 ayes, 0 Nays. **Motion passed**

8. Superstition Fire & Medical District's PSPRS Annual Pension Funding Policy #2020-06

Background / Discussion

House Bill 2097 Amending Title 38, Chapter 5, Article 4, Arizona Revised Statutes, By Adding Section 38-863.01; Relating to the Public Safety Personnel Retirement System.

38-863.01 Pension Funding Policies: Employers

BEGINNING ON OR BEFORE JULY 1, 2020, EACH **GOVERNING BODY** OF AN EMPLOYER SHALL ANNUALLY:

1. Adopt a pension funding policy for the system for employees who were hired before July 1, 2017. The pension funding policy shall include funding objectives that address at least one of the following;
 - a. How to maintain stability of the governing body's contributions to the system.
 - b. How and when the governing body's funding requirement of the system will be met.
 - c. Defining the governing body's funded ratio target under the system and the timeline for reaching the targeted funded ratio.
2. Formally accept the employer's share of the assets and liabilities under the system based on the system's actuarial valuation report.
3. The governing body shall post the pension funding policy on the governing body's public website.

Financial Impact(s)/Budget Line Item

Based on the Board's decision to extend the PSPRS amortization period to 30 years effective July 1, 2017, Staff recommends that the Board officially adopt the attached SFMD PSPRS funding policy effective July 1, 2020.

Enclosures:

PSPRS Annual Pension Funding Policy #2020-06

Motion by Board Member Ron Olm *to approve the District's PSPRS Annual Pension Funding Policy #2020-06 in accordance with House Bill 2097 ARS 38-863.01."*

Seconded by Local Board Member Jim Geil

Vote 5 ayes, 0 Nays. **Motion passed**

9. Discussion and possible action to review the date / time of the next SFMD Public Safety Personnel Retirement System Local Board Meeting.

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.

The following date is recommended for the next Local Board Meeting:

- **Tuesday, August 18, 2020 at 4:00 p.m.**

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.

Motion by Board Member Olm to confirm **Tuesday, August 18, 2020** as the date of the next scheduled Local Pension Board Meeting.

Seconded by Board Member Geil.

Vote 5 ayes, 0 Nays. **Motion passed**

10. Announcements.
None.

11. Adjourn.

Motion by Board Member Geil to adjourn the meeting at 4:20 p.m.

Seconded by Board Member Ron Olm. Vote 5 ayes, 0 nays. **Motion passed.**

Board Approval:

Preliminary minutes emailed to PSPRS on June 17, 2020.



Board Chairman Larry Strand

Sherry Mueller

June 16, 2020