

**MINUTES OF THE PUBLIC MEETING
PUBLIC SAFETY RETIREMENT BOARD
TOWN OF CHINO VALLEY**

**WEDNESDAY, OCTOBER 25, 2017
2:00 P.M.**

The Public Safety Retirement Board of the Town of Chino Valley, Arizona, met for a Public Meeting in the Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona, on October 25, 2017.

1) CALL TO ORDER

Chair Jack Miller called the meeting to order at 2:10 p.m.

2) ROLL CALL

Present: Lt. Vince Schaan; Dean Keller; Chair Jack Miller

Absent: Cheri Romley; Sgt. Gary Bruso

Staff Laura Kyriakakis, Human Resources Director; Tiffany Resendez, Human

Present: Resources Analyst; Joe Duffy, Finance Director

(Lt. Vince Schaan arrived at 2:40 p.m.)

3) APPROVAL OF MINUTES

- a)** Consideration and possible action to accept the April 17, 2017 public meeting minutes.

MOVED by Chair Jack Miller, seconded by Dean Keller to approve the April 17, 2017 minutes.

Vote: 2 - 0 PASSED - Unanimously

4) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Board concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 15 minutes per meeting. Board action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

5) OLD BUSINESS

6) NEW BUSINESS

- a) Review of Resolution No. 12-997 – A Resolution of the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona formally establishing a Public Safety Retirement Board.

Laura Kyriakakis presented an informational refresher on Resolution No. 12-997, signed in 2012, that formally established a Public Safety Retirement Board, as mandated by Arizona Revised Statutes § 38-847.

- b) Consideration and possible action to select a Vice Chair for the Board.

MOVED by Chair Jack Miller, seconded by Dean Keller to appoint Dean Keller as Vice-Chair.

Vote: 2 - 0 PASSED - Unanimously

- c) Update on the Hall-Parker Contribution and Interest Refunds.

Laura Kyriakakis presented an overview and history regarding Senate Bill 1609 that was passed in 2011 by the legislature. The bill contained provisions meant to shore up the plans administered by the PSPRS and one of the provisions was a gradual increase in member contribution rates. That was found to be unconstitutional, which made it a requirement to issue refunds. The PSPRS was unable to do the refunds as the funds were in a retirement account, so employers had to issue the refunds. The town refunded \$143,222.03 for 18 members in 2017. The money was considered a credit for the town and could be rolled over into the unfunded liability.

- d) Update by Joe Duffy, Finance Director, regarding Town of Chino Valley current unfunded liability status and options to become fully funded.

Joe Duffy reported on the present value of future benefits and accrued liability. According to PSPRS, the town had an unfunded liability in the amount of 1.2 to 1.3 million dollars. Mr. Duffy reviewed the impact of extra contributions. He explained that the town was paying a higher contribution rate due to the unfunded liability and if it were to be paid down, the contribution rate would be less and the town would save money each year. To be at 100% funded by the end of 2018 would take \$3 million. Mr. Duffy stated he would present some budgeting options at the next meeting to help pay down the unfunded liability.

(Lt. schaan arrived during this item)

- e) Consideration and discussion regarding PSPRS Tier 3 Benefits: Defined Benefit vs. Defined Contribution Option.

Laura Kyriakakis showed the following PSPRS educational videos:

- Tier 3 Defined Benefit Plan
- Tier 3 Defined Contribution Plan
- Inside PSPRS Tier 3 Benefits - Defined Contribution or Defined Benefit
- Inside PSPRS Tier 2 Defined Contribution Plan

After the videos, the Board discussed the differences between the Defined Contribution ("DC")

and Defined Benefit ("DB") plans, and the Tiers. The DB participants would still fund the PSPRS defined pension program and be locked into that plan, and the DC participants would be funded under Nationwide. While there were three different tiers, with different structures on how the participant qualified for retirement, Tier 2 contributions still funded Tier 1 upon retirement, and Tier 3 contributions funded Tier 1 and Tier 2 upon retirement.

Laura Kyriakakis gave the following breakdown of the three tiers:

- Tier 1 was 20 years of service with no age limit, or 15 years of service at age 62
- Tier 2 was 25 years of service at age 52 ½
- Tier 3 was 15 years of service at age 55

(Joe Duffy left the meeting at 3:17 p.m.)

7) EXECUTIVE SESSION

The Board may vote to recess the Regular Meeting and hold an Executive Session, which will not be open to the public, for the following purposes:

MOVED by Chair Jack Miller, seconded by Lt. Vince Schaan to recess from the public meeting and go into the executive session at 3:18 p.m.

Vote: 3 - 0 PASSED - Unanimously

- a) Pursuant to A.R.S. Section 38-431.03(A)(2) for discussion and consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by the state or federal law, with the following employees:
 - Jon Szymanski - Graduate from AZPost 12/14/2017.
- b) Pursuant to A.R.S. Section 38-847.01(A) and (B) (1)(2) and (3) for discussion and consideration of all necessary information from the employer to render a decision on the following employees for membership in the Public Safety Personnel Retirement System:
 - Jon Szymanski - Graduate from AZPost 12/14/2017.

8) ACTION ITEMS RESUMED

After the Executive Session, the Board will reconvene the Regular Meeting.

MOVED by Chair Jack Miller, seconded by Lt. Vince Schaan to reconvene the public meeting at 3:24 p.m.

Vote: 3 - 0 PASSED - Unanimously

- a) Consideration and possible action to accept the following employees into the Public Safety Retirement System:
 - Jon Szymanski - Graduate from AZPost 12/14/2017.

MOVED by Lt. Vince Schaan, seconded by Dean Keller to accept Jon Szymanski into the Public Safety Personnel Retirement System, effective December 3, 2017.

Vote: 3 - 0 PASSED - Unanimously

9) ADJOURNMENT

MOVED by Lt. Vince Schaan, seconded by Dean Keller to adjourn the meeting at 3:32 p.m.

Vote: 3 - 0 PASSED - Unanimously

Submitted this 30th day of October, 2017

By: *Vickie Nipper, Deputy Town Clerk*
Approved: March 8, 2018