

**TOWN OF SAHUARITA
ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)
SAHUARITA LOCAL POLICE BOARD
MEETING MINUTES
June 6, 2017**

The Public Safety Personnel Retirement System (PSPRS) Sahuarita Local Board met in the Town Hall Agave Conference Room on the second floor, 375 West Sahuarita Center Way, Sahuarita, Arizona on Tuesday, June 6, 2017.

1. Call to Order

Chairman Tom Murphy called the meeting to order at approximately 4:34 p.m.

2. Roll Call

Attendee Name	Title	Status	Arrived
Tom Murphy	Chairman	Present	
Scott Downs	Board Member	Present	4:36 p.m.
Alexander Droban	Board Member	Present	
Clark Munger	Board Member	Present	
Juan Zamora	Board Member	Present	

Also in attendance were Local Board Attorney Thomas Benavidez and Board Secretary Lisa Cole.

Additional attendees included Julie Strzyzewski, Town of Sahuarita Human Resources Analyst, Michelle Johnson-Ochoa, Applicant, and Shelly Johnson-Ochoa, Spouse of Applicant.

3. Consent Agenda:

A. Minutes for Approval – March 22, 2017

B. Pre-Employment Physical Requirement

Name	Hire/Membership Date	Physical Date	Pre-existing Condition
Scott Nied	10/17/2016	9/15/2016	
Jesus Villanueva	1/16/2017	12/16/2016	
Jason Dombrose	4/3/2017	3/7/2017	

MOTION was made to approve the consent agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Munger, Board Member
SECONDER:	Alexander Droban, Board Member
AYES:	Murphy, Droban, Munger, Zamora
ABSENT:	Downs

EXECUTIVE SESSION

MOTION was made to meet in executive session.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clark Munger, Board Member
SECONDER:	Juan Zamora, Board Member
AYES:	Murphy, Droban, Munger, Zamora
ABSENT:	Downs

Chairman Murphy declared the board convened for executive session at approximately 4:35 p.m.

- 4. Executive Session pursuant to A.R.S. § 38-431.03(A)(2) and (A)(3) to discuss records exempt by law from public inspection and for legal advice regarding the Ordinary Disability Retirement Application submitted by Officer Michelle Johnson-Ochoa.**

The board met in executive session to discuss records exempt by law from public inspection and for legal advice regarding the Ordinary Disability Retirement Application submitted by Officer Michelle Johnson-Ochoa.

CONTINUATION OF MEETING

Ms. Johnson-Ochoa and her spouse rejoined the meeting.

MOTION was made to reconvene the regular meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Scott Downs, Board Member
SECONDER:	Alexander Droban, Board Member
AYES:	Murphy, Downs, Droban, Munger, Zamora

Chairman Murphy reconvened the regular meeting at approximately 6:45 p.m.

- 5. Consideration and possible action regarding the Ordinary Disability Retirement Application submitted by Officer Michelle Johnson-Ochoa.**

MOTION was made to table the decision on the Ordinary Disability Retirement Application submitted by Officer Michelle Johnson-Ochoa pending receipt of the answers to the following questions from Ms. Johnson-Ochoa's neurosurgeon:

1. Is Ms. Johnson-Ochoa's stated physical inability to perform a reasonable range of duties of a police officer and physical inability to meet the physical qualifications to become a police officer permanent?
2. What is the cause of the degenerative disc disease and when did it begin?

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Scott Downs, Board Member
SECONDER:	Juan Zamora, Board Member
AYES:	Murphy, Downs, Droban, Munger, Zamora

Thomas Benavidez, Board Attorney, requested and was granted permission from Ms. Johnson-Ochoa for the local board to contact her neurosurgeon for the requested information.

Chairman Murphy directed Lisa Cole, Board Secretary, to acquire the requested question responses.

6. Discussion and possible action regarding the Deferred Retirement Option Plan (DROP) Retirement Application submitted by Officer Wesley Genzer, Jr.

Lisa Cole, Board Secretary, stated Officer Genzer submitted the required paperwork to retire from the Deferred Retirement Option Plan and that his employment with the town ended on June 8, 2017, with an effective retirement benefit date of June 30, 2017.

MOTION was made to approve the retirement from DROP Application submitted by Officer Wesley Genzer, Jr. with an effective date of June 30, 2017.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Scott Downs, Board Member
SECONDER:	Alexander Droban, Board Member
AYES:	Murphy, Downs, Droban, Munger, Zamora

7. Discussion and acceptance of the PSPRS Sahuarita Actuarial Valuation as of June 30, 2016.

Lisa Cole, Board Secretary, introduced the item and announced that the total contribution rate for fiscal year 2018 was 21.56%, up from 12.92% from the previous fiscal year due to changes in the PSPRS benefit structure and investment return options. She announced that the funding ratio as of June 30, 2016 for future benefits and accrued liability was reported as 82.4%, which was reported as an unfunded accrued liability of approximately \$2.1 million.

Chairman Murphy requested that a staff member from PSPRS attend a future meeting to explain the content of the actuarial report and analysis.

MOTION was made to accept the June 30, 2016 Sahuarita Actuarial Valuation.

RESULT:	APPROVED [4 -1]
MOVER:	Alexander Droban, Board Member
SECONDER:	Scott Downs, Board Member
AYES:	Murphy, Downs, Droban, Zamora
NAYES:	Munger

Board Member Munger explained that he voted no because the return assumptions used in the actuarial valuation were unrealistic to sustain future benefits for Sahuarita police officers.

8. 53rd Arizona Legislative First Regular Session update.

Lisa Cole, Local Board Secretary, provided a high level overview of new legislation affecting the public safety retirement system and informed the board members that copies of the bills were available in the meeting packet.

No action was taken – presentation only.

9. Hall v. Elected Officials Retirement Plan and Parker v. Public Safety Personnel Retirement System updates.

Lisa Cole, Local Board Secretary, provided a brief history and update regarding the Hall v. Elected Officials Retirement Plan and Parker v. Public Safety Personnel Retirement System lawsuits. She informed the board that the employer of PSPRS members must provide partial refunds to impacted members who under the contested law had their retirement contribution rates rise above 7.65% and those that retired after the effective date of the 2011 legislation may be owed retroactive benefit increases. Ms. Cole further informed the board that interest rates to be applied to Hall-Parker lawsuit contribution refunds and retroactive permanent benefit increases would be determined by the Maricopa County Superior Court at a later date.

No action was taken – presentation only.

10. Future Agenda Items


Board Member Zamora requested a discussion regarding the method and manner of repayment of retirement contributions in response to the Hall-Parker lawsuits that is in the best interest of the employees and employers.

11. Adjournment

Chairman Murphy adjourned the meeting at approximately 6:58 p.m.


Tom Murphy
Chairman

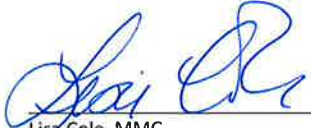
ATTEST:


Lisa Cole, MMC
Secretary to the Board

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the Public Safety Personnel Retirement System Local Board of the Town of Sahuarita held on the 6th day of June, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 20th day of July, 2017.



Lisa Cole, MMC
Secretary to the Board