



City of Goodyear

See meeting location
below

Meeting Minutes

Police Public Safety Personnel Retirement Board

Wednesday, January 25, 2017

8:30 AM

Goodyear City Hall, Room 204
190 N. Litchfield Rd.
Goodyear, AZ 85338

**Immediately following the Fire Public Safety Personnel Retirement Board Meeting that begins at
8:15 AM**

1. CALL TO ORDER

Mayor Lord called the Police Public Safety Retirement Board Meeting to order at 8:33 a.m.

2. ROLL CALL

Present: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

**MOTION by Boardmember Hughes, SECONDED by Boardmember Mathias, to
EXCUSE Chairman Stipp and Boardmember DeHaan from the meeting. The motion
carried by the following vote:**

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

Staff Present: City Clerk Maureen Scott, Total Compensation Administrator Jeanni Ruddy,
and Finance Director Doug Sandstrom

Legal Counsel Present: Cindy Kelley with Ryan Rapp and Underwood

Others Present: Joshua Swain

3. APPROVE MINUTES

[MINUTES](#) Approve draft minutes of a Police Public Safety Retirement Board Meeting
[11-2017](#) held on December 1, 2016.

**MOTION by Boardmember Mathias, SECONDED by Boardmember Stewart, to
APPROVE the minutes. The motion carried by the following vote:**

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

4. CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None.

5. BUSINESS

5.1 Report on information from the Finance Department regarding status of the City of Goodyear Public Safety Retirement Funds in the Actuarial Report. (Doug Sandstrom, Finance Director)

Finance Director Doug Sandstrom reviewed the Actuarial Report.

- o 125 total members (88 Active members, 22 Retirees, 1 DROP, 14 inactive/vested)
- o Three Tiered System
 - § Tier 1 - Hired prior to 1/1/12
 - § Tier II - Hired between 1/1/12 and 6/30/17
 - § Tier III - Hired 7/1/17 and later
- o 8.17% rate increase to 29.93% (aggregate rate for system is 52.09%)
- o Add Tier 3 rate of 21.58%
- o 62.9% funded (decrease from 69.4%)
- Main Causes of Increased Contribution Rates/Decreased Valuation:
 - o Asset Losses - increases rate as not earning as much as expected
 - o Tier 2 - decreases rate as Tier I members are replaced with Tier II
 - o Payroll Base - decreases rate assumes 4% growth in total payroll
 - o PBI (Permanent Benefit Increase) Gain/Loss - decreases rate as no PBI issued
 - o Benefit Changes - increases rate
 - § Replace PBI with COLA
 - § Introduce Tier III
 - § Hall Decision impact will not be seen until next year's valuation
 - o Assumption changes - increases rate
 - § Dropped investment rate of return from 7.85% to 7.5%
 - o Other - increases rate
 - § All other factors (turnover, retirement, disabilities, etc...)
- Looking Ahead
 - o Unrecognized investment losses continue to push up rates
 - o Absent market gains rates will continue to climb
 - o Mortality tables to be re-evaluated
 - o Investment rate for 2017 is to be assumed at 7.4%

5.2 Police Board to consider accepting the Actuarial Report.

MOTION by Boardmember Stewart, SECONDED by Boardmember Hughes, to ACCEPT the Actuarial Report. The motion carried by the following vote:

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

Finance Director Sandstrom left the meeting.

5.3 BOARD, UPON ROLL CALL VOTE, MAY CONVENE AN EXECUTIVE SESSION AS POSTED FOR THE FOLLOWING:

Pursuant to A.R.S. §38-431.03(2),(3) and (4) the Police Pension Board may vote to convene in executive session to discuss or consider personnel matters, confidential records exempt by law from public inspection, and/or to consult with the Board's Attorney for legal advice and to consider the Board's position and to instruct the Board's attorney regarding its position in contemplated litigation regarding item 5.6. and 5.7. The Board will take action on these items in open session.

MOTION by Boardmember Hughes, SECONDED by Boardmember Stewart, to CONVENE into Executive Session. The motion carried by the following vote:

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

5.4 Adjournment of Executive Session

Mayor Lord adjourned the Executive Session at 9:27 a.m.

5.5 Reconvening of Police Board Meeting

Mayor Lord reconvened the Police Board Meeting at 9:27 a.m.

5.6 Police Board will consider DROP application for Jason Seabright.

Ruddy said that Mr. Seabright has 20.775 years with city of Goodyear and .548 prior service which is a total of 21.323 years. He can exit the drop in sixty months which will be February 28, 2022.

MOTION by Boardmember Hughes, SECONDED by Boardmember Mathias, to ACCEPT the DROP Application for Jason Seabright. The motion carried by the following vote:

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

5.7 Police Board will consider accepting an Accidental Disability Application for Joshua Swain.

Attorney Kelley said if the Board decides to send Swain for an IME, specific questions can be given to the doctor to answer.

The Board asked Mr. Swain if he currently has any restrictions. Mr. Swain responded that the two doctors that did the two IME's had different restrictions for him. There was no guidance to follow. He said he doesn't do anything that will hurt. He has a desk job and is currently on light duty. He also teaches training. He has always been an athlete and played sports in college. The restrictions became lighter and lighter and there were no weight restrictions. The second MRI showed injuries so the doctors put restrictions back. He tried different injections. He was advised to get a second opinion to find out if he should get another surgery. The doctor was skeptical of doing another surgery. He went for a third opinion at the Core Institute and paid for it himself. The doctor didn't recommend surgery. Ruddy said that Core Institute wasn't on the disability application.

Board Question

*Could the vigorous workouts be causing the pain?

MOTION by Boardmember Hughes, SECONDED by Boardmember Mathias, to ACCEPT the Disability Application for Joshua Swain and send him for an Independent Medical Exam to include questions for the IME doctor. The motion carried by the following vote:

Ayes: 4 - Mayor Lord, Boardmember Stewart, Boardmember Mathias and Boardmember Hughes

Excused: 2 - Member Stipp and Boardmember DeHaan

6. INFORMATION ITEMS

None.

7. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the meeting at 9:45 a.m.

Maureen Scott, Secretary

Bill Stipp, Chairman

CERTIFICATION OF MINUTES

I hereby certify that the minutes are a true and correct copy of the minutes of the Special Meeting of the Police Public Safety Personnel Retirement Board of the City of Goodyear, Arizona, held on 01/25/2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____ 2016.

Maureen Scott, Secretary
Public Safety Personnel Police Retirement Board