City of Goodyear

Meeting Minutes

See meeting location below

Fire Public Safety Personnel Retirement Board

Wednesday, January 25, 2017 | **8:15 AM** | **Goodyear City Hall, Room 204, 190 N. Litchfield Rd., Goodyear, AZ 85338**

1. CALL TO ORDER

Mayor Lord called the Fire Public Safety Personnel Retirement Board Meeting to order at 8:17 a.m.

2. ROLL CALL

Present: 5 - Boardmember Doyle, Boardmember Hernandez, Boardmember Stewart, Boardmember Mathias and Mayor Lord

Excused: 1 - Chairman Stipp

MOTION by Boardmember Hernandez, SECONDED by Boardmember Mathias, to EXCUSE Chairman Stipp from the Fire Board Meeting. The motion carried by the following vote:

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

Excused: 1 - Chairman Stipp

Absent: 1 - Boardmember Doyle

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

Legal Counsel Present: Cindy Kelley with Ryan Rapp and Underwood

3. APPROVE MINUTES

MINUTES 10-2017 — Approve draft minutes of a Fire Public Safety Retirement Board Meeting held on November 10, 2016

MOTION by Boardmember Mathias, SECONDED by Boardmember Hernandez, to APPROVE the November 10, 2016 minutes. The motion carried by the following vote:

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

Excused: 1 - Chairman Stipp

Absent: 1 - Boardmember Doyle

4. CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None.

Boardmember Doyle arrived at 8:23 a.m.

5. NEW 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 reveiwed the Actuarial Report.

- o 98 total members (89 Active members, 6 Retirees, 2 DROP, 1 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 9.83% rate increase to 24.57% (aggregate rate for system is 52.09%)
- o Add Tier 3 rate of 16.31%
- o 73.1% funded (decrease from 88.8%)

- 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 - increases 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 Fire Board to consider accepting the Actuarial Report.

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

Ayes: 5 - Boardmember Doyle, Boardmember Hernandez, Boardmember Stewart, Boardmember Mathias and Mayor Lord

Excused: 1 - Chairman Stipp

6. INFORMATION ITEMS

None.

7. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Fire Public Safety Retirement Board Meeting at 8:27 a.m.

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Maureen Scott, City Clerk Bill Stipp, Chairman

Date: ________________________