



# TOWN OF HUACHUCA CITY

The Sunset City

**MEETING MINUTES OF THE  
HUACHUCA CITY TOWN PUBLIC SAFETY PERSONNEL  
RETIREMENT SYSTEM BOARD  
February 25, 2020 at 5:00pm  
HUACHUCA CITY TOWN HALL  
500 N. GONZALES BLVD.  
HUACHUCA CITY, AZ 85616**

## AGENDA

### A. Call to Order

**Chairman**

- Pledge of Allegiance
- Roll Call and Ascertain Quorum

**The meeting was called to order at: 5:00 pm**

**The Pledge of Allegiance was led by: Chairman Wallace**

**Roll Call:** Secretary Donna Johnson

<b>Individual</b>	<b>Position</b>	<b>Present</b>	<b>Absent</b>
Johann Wallace	Chairman	X	
Donna Johnson	Secretary	X	
Officer Christopher Thompson	Board Member	X	
Ashley Pietro	Board Member	X	
Joe Hebert	Board Member	X	

### B. Call to the Public

**Chair**

*A.R.S. 38-431.01 states the Public Body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the Public Body. At the conclusion of an open call to the public, individual members of the Public*

Body may respond to criticism made by those who have addressed the Public Body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the Public Body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

**Call to Public:** None

**C Consent Agenda**

**Chair**

All items listed in the Consent Agenda are considered routine matters and will be enacted by one motion of the Committee. There will be no separate discussion of these items unless a Committee Member of the Committee, requests that an item or items be removed for discussion. Committee Members may ask questions without the removal of the item from the Consent Agenda. Items removed from the Consent Agenda are considered in their normal sequence as listed on the agenda, unless called out of sequence.

**C.1** Consider approval of the minutes of the PSPRS meeting held on November 5, 2019.

<b>Motion C: Open item for discussion and/or action</b>		<b>Action: open</b>
<b>Moved by: Chairman Wallace</b>	<b>Seconded by: Officer Thomas</b>	

<b>Motion C:</b>				<b>Action: Approved</b>
<b>Moved by:</b>	<b>Chairman</b>	<b>Seconded by:</b>	<b>Officer</b>	
<b>Wallace</b>		<b>Thompson</b>		

**E. New Business before the Commission**

**Chair**

Public comment will be taken at the beginning of each agenda item, after the subject has been announced by the Chairman and explained by staff. Any citizen who wishes, may speak one time for five minutes on each agenda item before or after Committee discussion. Questions from Committee Members, however, may be directed to staff or a member of the public through the Chairman at any time.

**E.1 Discussion and/or Action [Chairman Wallace]: Approval of Kyle Arnett to vacant board seat left by Joseph Glowacki.**

<b>Motion E.1: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Chairman Wallace</b>	<b>Seconded by: Officer Thomas</b>	

<b>Motion E.1:</b>		<b>Action: Approved</b>
<b>Moved by: Chairman Wallace</b>	<b>Seconded by: Officer Thomas</b>	

**E.2 Discussion and/or Action [Chairman Wallace]: Swearing in of Kyle Arnett, Chris Thompson, and Joe Hebert.**

<b>Motion E.2: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Chairman Wallace</b>	<b>Seconded by: Officer Thompson</b>	

Chairman Wallace swears in all three members

**E.3 Discussion and/or Action [Chief Thies]: Report of training for PSPRS that was held in Phoenix on January 22<sup>nd</sup>, 2020.**

<b>Motion E.3: Open item for discussion and/or action</b>		<b>Action: Open</b>
<b>Moved by: Chairman Wallace</b>	<b>Seconded by: Officer Thompson</b>	

Chief Thies: The conference was attended by about 400 people. All the information has been uploaded to the PSPRS website. The PSPRS board is all new. According to Phil Coleman,

Employer Relationship Manager for Public Safety Personnel Retirement System, an employer's funding ratio indicates the amount of asset that are already available in the trust to pay future benefit. A funding ratio of 100% (commonly called being "fully funded") means there are enough assets in the trust to pay 100% of future expected benefits. A funding ratio of 75% shows that there are enough assets currently in the trust to pay 75% of future expected benefits. The funding ratios in this table were calculated using the actuarial value of assets and liabilities for the pension and health trusts combined.

As of 02/27/2019, Huachuca City Police Department funding ratio is 74.44%, Sierra Vista Police Department funding ratio is 43.50%, Bisbee Police Dept. funding ratio is 14.30%, Benson Police Dept. funding ratio is 54.12%. Compared to surrounding cities, we are in pretty good shape.

The reason we should not focus on a particular net unfunded actuarial accrued liability dollar amount because the dollar amount changes every year. Listed below are net unfunded actuarial accrued liability dollar amounts for the last seven years for Huachuca City Police Dept.

June 30, 2013-\$213,171  
June 30, 2014-\$226,314  
June 30, 2015-\$278,415  
June 30, 2016-\$374,230  
June 30, 2017-\$373,716  
June 30, 2018-\$306,677  
June 30, 2019-\$91,671

Many factors such as: interest rate, salary increases, inflation, Tier 3 Compensation Limit, Cost-of-living adjustments, morality rates, retirement/DROP rates, termination rate, disability rate, marital status, spouse's age, health care utilization, funding method, actuarial asset method, funding policy amortization method, payroll growth, stabilization reserve, etc. will affect the dollar amount changes.

For instance, if I process a check today for \$91,671 to PSPRS that does not mean our unfunded liability balance for next year will be zero, it could be \$300,000 because the factors mentioned above will come into account.

Plan	Plan Type
PSPRS	Agent, Multiple Employer

#### Attributes

- Assets are pooled for investment purposes

•Each employer's share of the pooled assets is legally available to pay the benefits of only its beneficiaries

Psprs – what can be controlled

- Create a Pension Funding Policy
- Budget contributions for DROP members
- Prepay your budgeted contribution
- Payoff unfunded liability (debt) when additional resources become available
- For Tier 3 members, budget at Tier 1 & 2 amounts
  
- Stay active and engaged in your local PSPRS Board
  
- Increase the amortization period if needed
- Short term savings, more costly over the long term
- One time option
- 29 of 229 plans have chosen this option

F. Reports of Current Events by Members

F. Police Chief's Report

G. Items to be placed on future agendas: Every meeting a presentation from now on from Chief Thies on PSPRS.

H. Adjournment

### Adjournment

<b>Motion: to Adjourn</b>		<b>Action: Approved</b>	
<b>Moved by:</b> <b>Wallace</b>	<b>Chairman</b>	<b>Seconded by:</b> <b>Thompson</b>	<b>Officer</b>

Meeting was adjourned at 5:35 pm February 25, 2020.

Approved by Chairman Wallace, , 2019

\_\_\_\_\_  
Chairman Johann Wallace

Attest: \_\_\_\_\_  
Donna Johnson, Secretary

Seal:

**Certification**

I hereby certify that the foregoing is a true and correct copy of the Minutes of the Meeting for the Huachuca City Public Safety Personnel Retirement System Board on February 25,2020. I further certify that the meeting was duly called and a quorum was present.

\_\_\_\_\_  
Donna Johnson, Secretary