



CITY OF SURPRISE
Public Safety Personnel Retirement System Meeting - Police
16000 N. Civic Center Plaza
Surprise, AZ 85374

Wednesday, May 17, 2023 @ 10:00 AM
COUNCIL CHAMBERS

- A. Call To Order
B. Roll Call
C. Pledge of Allegiance
D. Current Events and Reports
E. Staff Reports
Review of FY23 Legal Counsel and IME fees.
F. Public Safety Retirement Commission- Police Agenda

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

- 1. Internal Considerations and action pertaining to the review and approval of the April 12, 2023 Public Safety Retirement Commission – Police Meeting Minutes Human Resources

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- 2. Internal Consideration and possible action pertaining to the review of medical examinations and the acceptance of two (2) Police Officer Recruits: Cody J. Lackhan and Pedro E. Mazon into the PSPRS system pursuant to A.R.S. § 38-859. Human Resources
3. Internal Discussion and possible action to enter Executive Session and review the Independent Medical Exam (IME) findings and other medical records exempt from public inspection regarding the accidental disability retirement application for Glenn D. Cannon Human Resources

- G. Other Business and Future Agenda Items
H. Executive Session

For information purposes: Upon a public majority vote of a quorum of the Public Safety Personnel Retirement Commission ("Commission"), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2)); or discussion or consultation for legal advice with the Commission's attorneys (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information

except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

- I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Wednesday, May 10, 2023 @ 2:00 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Public Safety Personnel Retirement System
Meeting - Police

Council Meeting Date: May 17, 2023
Submitting Department: Human Resources
Staff Recommendations: None

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Review of FY23 Legal Counsel and IME fees.

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Legal Fees and IME
-

Public Safety Retirement Commission

Legal and IME Fees

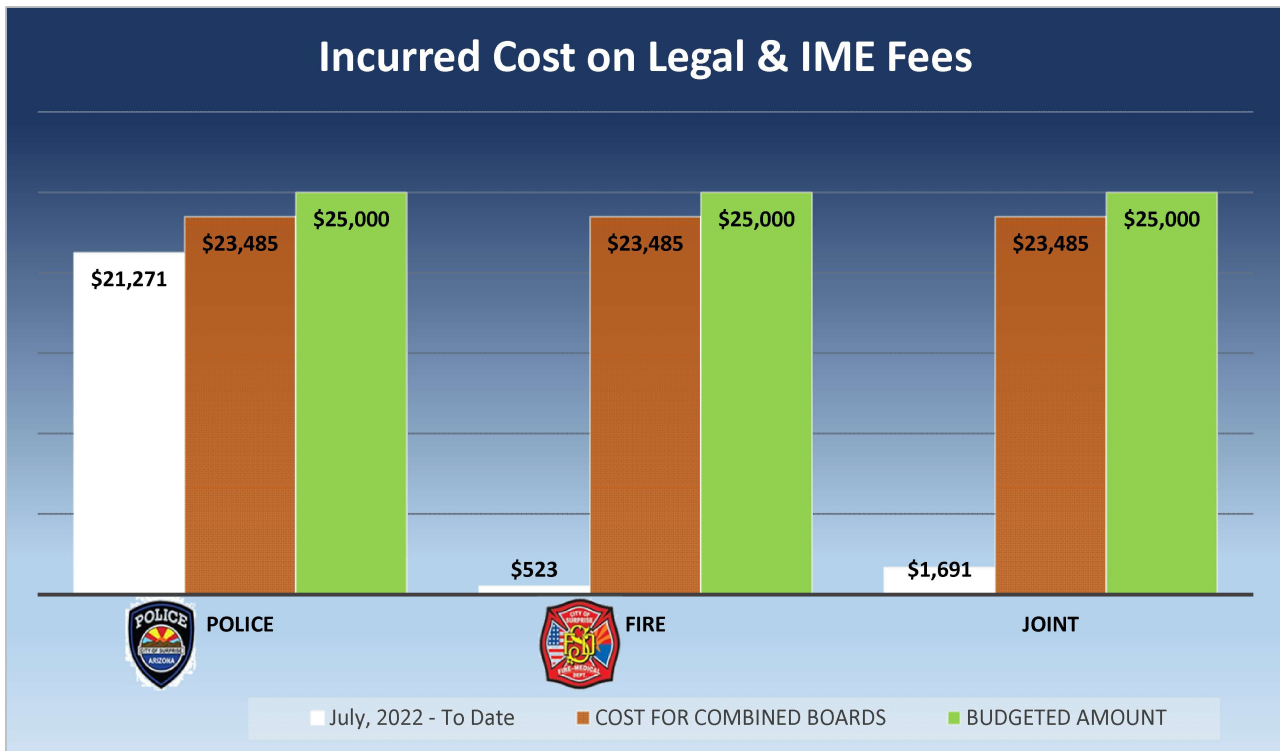
FY 2022 - 2023

BUDGETED AMOUNT	\$25,000.00
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PAID INVOICES FOR LEGAL COUNSEL	
FIRE	\$522.50
POLICE	\$3,946.25
JOINT	\$1,691.25

PAID INVOICES FOR IME's	
*IME #1 COST (POLICE)	\$3,975.00
*IME #2 COST (POLICE)	\$2,375.00
*IME #3 COST (POLICE)	\$5,100.00
*IME #4 COST (POLICE)	\$5,875.00
TOTAL IME COST	\$17,325.00

COMBINED COST	\$23,485.00
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**Other costs incurred - (4) Independent Medical Evaluations*



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Meeting - Police

Council Meeting Date: May 17, 2023
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: Yes Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Considerations and action pertaining to the review and approval of the April 12, 2023 Public Safety Retirement Commission – Police Meeting Minutes

Motion:

I motion to approve the April 12, 2023 Public Safety Retirement Commission – Police Meeting Minutes

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. DRAFT 4.12.23 Police Minutes
-



**PUBLIC SAFETY RETIREMENT SYSTEM
CITY OF SURPRISE LOCAL BOARD – POLICE**
Minutes, Wednesday, April 12, 2023
16000 N. Civic Center Plaza, Surprise, Arizona 85374

The following are the minutes from the City of Surprise Public Safety Retirement Commission – Police meeting held at 10:30 a.m. Wednesday, April 12, 2023. The meeting was held in City Hall, Council Chambers.

A. Call To Order

Chair Hall called the meeting to order at 10:45 a.m.

B. Roll Call: Skip Hall, Chair – Present
James Conner, Appointed Member – Present
Kim Drayden, Appointed Member – Present
Severin Hall, Police Department – Present
Christopher Thomas, Police Department – Absent (*excused*)

In attendance: Ariana Reyna, PSPRS Board Secretary

C. Pledge of Allegiance – Completed

D. Current Events Reports - None

E. Staff Reports – Review of FY23 Legal Counsel and IME fees.

F. Call to the Public – None

Consent Agenda:

1. Considerations and action pertaining to the review and approval of the March 8, 2023 Public Safety Retirement Commission – Police Executive Session Meeting Minutes – APPROVED

Motion to Approve: Kim Drayden

Second: James Conner

Opposed: None

2. Considerations and action pertaining to the review and approval of the March 8, 2023 Public Safety Retirement Commission – Police Meeting Minutes – APPROVED

Motion to Approve: James Conner

Second: Kim Drayden

Opposed: None



Regular Agenda:

3. Review of the City of Surprise Police Department Actuarial – Financial Status and Projections report as presented by the Public Agency Retirement Solutions – INFORMATION ONLY.

Ariana Reyna stated that During the 2023 annual Employer-Local Board conference, members of the Local Board met Charles D. Francis who is a Senior Consultant with Public Agency Retirement Solutions (PARS). Charles has also provided a user guide for understanding the ratios and a flier about the Section 115 Trust program offered through PSPRS. Charles and his colleague is with us today and has graciously offered to discuss the report, answer questions and talk about strategies for the future.

Charles D. Francis introduced himself as a former City Finance Director and now is a consultant who has partnered with PSPRS and administers the Section 115 program. Charles mentioned the City's actuarial charts as provided to PSPRS and clarified that the information presented and discussed would only pertain to Tiers 1 and 2. Charles mentioned that in his experience as a former City Finance Director he was made aware that it could be difficult for City officials to interpret the actuarial report and in order to help make this information more accessible and easier to understand, he developed the a presentation through PARS which was shown to some of the Local PSPRS Board Members during the most recent PSPRS Local Board – Employer conference and was asked by several City of Surprise Local Board Members to visit and present the information to the rest of the Local Board Members. Charles did a presentation and summarized the official actuarial report from PSPRS demonstrating that the Surprise Police Department is 67.6% funded and summarized payroll and total costs as well. He also provided information on support ration, which equates to the number of active vs. inactive employees who are actually contributed to the pension plan as opposed to the ones that are not contributing and just collecting from it. Other projections discussed in terms of historic records and future projections for the Surprise Police Department were asset volatility ratio (market value of assets compared to payroll), accrued liability ratio (inactive vs. total liabilities), net cash flow ratio (contributions going in vs. benefits going out), and other general data for the Local Board's review and consideration.

Maureen Toal explained the Section 115 program. In 2020, legislation changes allowed for Section 115 Trust under the IRS code to become a new option besides having money just sit in pension reserve like it had done thus far. Section 115 is a new plan that allows another option to manage liabilities and PARS was asked to set it up and administer it as a contractor working with PSPRS. Once the money is invested in the Section 115 trust plan it is irrevocable, it cannot be diverted for any other purposes other than pension/retirement. Assets can only be accessed for pension costs. For

defined benefit plans, it can set funds for state or individual pension systems. As an exclusive benefit, assets are protected for the exclusive benefit of employees, retirees, and beneficiaries. Diversified investments are directed per Arizona law. The trust is sponsored by PSPRS but the it is locally controlled. The investment managers of the trust are US Bank and Vanguard. If the City wanted to move forward and implement the trust, there is no cost to set it up; the fees are based on assets. PARS would provide the trust documents and the City Council would approve the official implementation of the trust and once the documents are executed then, at that time the City would make a decision on investment and manager approach.

Severin Hall asked if the funds were limited to use for pension payment under the system or if it could be extended to other retirement savings benefits and Maureen confirmed that it was only for PSPRS. James Conner asked about the City's current pension reserve amount and if the City kept those reserves separate: one for Fire an one for Police or if the reserve pooled both departments together. City Manager Bob Wingenroth answered that the reserve is combined for Fire and Police but that the City knows what belongs to each department. City Manager Wingenroth also shared that the reserve is currently over 28 million dollars and that is just for public safety, it does not include reserves for the Arizona State Retirement System.

City Manager Wingenroth took the opportunity to recognize and shared that he appreciates the fiduciary behavior of the Finance Department by setting aside previous surplus amounts to address future pension liability accordingly. James Conner asked why the City would not just fund the unfunded liability to 100% if the City has the money to do so through the reserve. City Manager Wingenroth responded that the money is being invested and accruing interest; it is considered to be safe where it currently is being invested.

G. Other Business and Future Agenda Items- None

H. Executive Session – None

I. Adjournment

Motion to adjourn at 11:15 a.m. – **APPROVED**

Motion to Adjourn: James Conner

Second: Severin Hall

Opposed: None



Meeting Minutes Approval:

Skip Hall, Chair
Public Safety Retirement Commission - Police

CERTIFICATION:

I, Ariana Reyna, Board Secretary and HR Business Partner for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are true and correct meeting minutes of the Public Safety Retirement Commission – Police Meeting of **Wednesday, April 12, 2023.**

Ariana Reyna, Board Secretary
Public Safety Retirement Commission - Police



CITY OF SURPRISE
Public Safety Personnel Retirement System
Meeting - Police

Council Meeting Date: May 17, 2023
Submitting Department: Human Resources
Staff Recommendations:
Contact Person:
District: Internal

Consent: No Regular: Yes Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and possible action pertaining to the review of medical examinations and the acceptance of two (2) Police Officer Recruits: Cody J. Lackhan and Pedro E. Mazon into the PSPRS system pursuant to A.R.S. § 38-859.

Motion:

I motion to approve Tier 3 Members into the PSPRS system as follows:

Cody J. Lackhan WITH ___ OR WITHOUT ___ preexisting condition(s)
Pedro E. Mazon WITH ___ OR WITHOUT ___ preexisting condition(s)

Background:

Police Officer Recruits Lackhan and Mazon were hired on 3/20/23 with the Surprise Police Department. The employees were officially notified of the Board's review of their medical records today.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



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Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: Yes Public Hearing: No Report/Discussion: No

Agenda Wording:

Discussion and possible action to enter Executive Session and review the Independent Medical Exam (IME) findings and other medical records exempt from public inspection regarding the accidental disability retirement application for Glenn D. Cannon

Motion:

IF APPROVED:

The Board has reviewed the Independent Medical Exam and based on report findings and Board's discussion, I motion to APPROVE the accidental disability retirement application for Glenn D. Cannon and request for the Board Secretary to submit retirement paperwork to PSPRS for processing.

IF DENIED:

The Board has reviewed the Independent Medical Exam and based on report findings and Board's discussion, I motion to DENY the accidental disability retirement application for Glenn D. Cannon. As required, the Board will send a letter to the member and the original application to PSPRS for their review.

IF TABLED:

The Board has reviewed the Independent Medical Exam and based on report findings and Board's discussion, I motion to TABLE the accidental disability retirement application for Glenn D. Cannon because _____.

Background:

As part of a job reassignment under the ADA, please note that Glenn D. Cannon transitioned from Police Officer to the non-sworn position of Police Community Services Officer – Front Desk vacancy effective Monday, May 1, 2023. No ACR is payable to PSPRS as a result of this job reassignment.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:
