



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

The following are the minutes from the Public Safety Retirement Commission – Fire Board Meeting held at 9:30 a.m. Wednesday, April 12, 2023. The meeting was held in City Hall, Council Chambers.

**A. Call To Order**

Chair Hall called meeting to order at 9:30 a.m.

**B. Roll Call:** Skip Hall, Chair – Present  
Kim Drayden, Citizen Board Member – Absent  
James Conner, Citizen Board Member – Absent  
Christopher Preest, Fire Member – Present (*telephonically*)  
Ricardo “Rick” Valdez, Fire Member – Present

**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 - Fire meeting minutes – APPROVED**

**Motion to Approve:** Kim Drayden

**Second:** Christopher Preest

**Opposed:** None

**Regular Agenda:**

- 2. Re-consideration and possible amended action pertaining to the review of medical examinations and the acceptance of four (4) Firefighter Recruits: Garrett Andrew Dickens, Brennan Todd Franklin, Kailee Ann Matlock, and**



**Scout Alexander Smith into the PSPRS system pursuant to A.R.S. § 38-859.  
– APPROVED.**

Ariana Reyna stated that During the March 8 Local Board meeting, Firefighter Recruits Smith, Dickens, Franklin, and Matlock were approved into the system without preexisting conditions. The Board needs to review the records and consider revision of the previous motion made.

A motion was made to amend the previous motion made and to approve Tier 3 Firefighter recruits into the PSPRS system as follows:

Garrett A. Dickens with preexisting conditions

Brennan T. Franklin with preexisting conditions

Kailee A. Matlock with preexisting conditions

Scout A. Smith with preexisting conditions

**Motion to Approve:** Rick Valdez

**Second:** Christopher Preest

**Opposed:** None

**3. Review of the City of Surprise Fire Department’s Actuarial – Financial Status and Projections Report as presented by the Public Agency Retirement Solutions – DISCUSSION 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 which his colleague, Maureen would discuss. 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 Fire Department is 80.1% funded and summarized payroll and total costs as well. 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. He also provided information on support ratio, 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 Fire 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 management approach.

**G. Other Business and Future Agenda Items – None**

**H. Executive Session – None**

**I. Adjournment**

Motion to adjourn at 10:07 a.m. – **APPROVED**

**Motion:** Jim Conner

**Second:** Rick Valdez

**Opposed:** None



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

**Meeting Minutes Approval:**

A handwritten signature in black ink, appearing to read "Skip Hall", is written over a horizontal line.

Skip Hall, Chair  
Public Safety Retirement Commission – Fire

**CERTIFICATION:**

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

A handwritten signature in blue ink, appearing to read "A. Reyna", is written over a horizontal line.

Ariana Reyna, Board Secretary  
Public Safety Retirement Commission – Fire