

MINUTES

Avra Valley Fire District
Public Safety Personnel Retirement Board
Meeting of Wednesday, March 13, 2013
Avra Valley Fire District, 15790 W. Silverbell, Marana, AZ
9:00 A.M.

AGENDA:

1. ROLL CALL

The meeting was called to order at 9:02 AM by Chairman Bauer.
Clerk Palmquist called roll. The following were in attendance:

Chairman Sara Bauer
Member Robert Jones
Member Tony Donaldson
Chief Brian Delfs
Clerk Lorrie Palmquist

2. CONSENT AGENDA

A. Minutes for approval

No minutes were available.

B. EXPENDITURE STATEMENT FOR DISABILITY APPLICATION PHYSICALS FOR Cory Lakosky and Lloyd Baker by Dr. Dennis Thrasher at Sunnyside Medcenter. Amount to be determined.

The following discussion ensued:

Chief Delfs stated that the AVFD Fire Board has to approve the expenditure to Dr. Thrasher. He commented that the District has not received the bills yet, but that, pending approval, the expenditures will be paid upon receipt.

Chairman Bauer moved to approve the expenditures. The motion was seconded by Mr. Jones. The Chairman called for a vote. ***Vote was unanimous, motion carried.***

3. APPLICATION FOR DISABILITY PENSION

Discussion or consideration of records exempt by law from public inspection A.R.S. 38-431.03(2) and discussion or consultation for legal advice with attorney staff A.R.S. 38-431.03 (A (3 § 4))

Chief Delfs directed the Board to their packets containing a letter from Dr. Thrasher regarding Mr. Lakosky's accidental disability. The letter states that Mr. Lakosky's disability did occur in the line of duty and that he is an employee of the District and, further, the disability prevents him from performing his duties and is, in fact, total and permanent. Chief Delfs stated that if the Board is in agreement with this information from Dr. Thrasher, then a formal motion will need to be made.

Mr. Jones moved that based upon the letter from Dr. Thrasher and Sunnyside Mediacenter dated February 28, 2013, that Mr. Cory Lakosky's application for accidental disability retirement be approved pending his separation of service from the Avra Valley Fire District. The motion was seconded by Member Donaldson.

Vote was unanimous, motion carried.

4. APPLICATION FOR DISABILITY RETIREMENTS

There was no discussion on this agenda item. Please refer to Agenda item (3) above.

5. FUND INFORMATION

Chief Delfs directed the Board to their packets containing the most current newsletter from the local PSPRS Board. He stated that the District will pay the 17% ACR on those employees who are returning to work after retirement. Currently, Chief Klein is the only person in that category, but the AVFD Fire Board has taken steps to move him into another retirement system.

Chief Delfs continued to summarize the information pertaining to the PSPRS funds. The total plan statistics show 34,000 active members with about 1500 in drop and 14,000 retired for a total of 52,000 employees currently in the pension fund. He stated that currently the employer contributes 380 million per year, while the employees contribute 171 million. The fund reported a net investment loss for 2012. Chairman Bauer inquired if another loss is projected for this year and how can the loss be made up. The Chief responded that the Dow and other agencies are actually showing a record high, but that a loss can be made up by increased investment earnings or an increase in contribution rates.

Chief Delfs stated that the pension benefits account for the bulk of the monies expended. Chairman Bauer inquired about the employees in the drop program. The Chief responded that those who enter the drop program will still make employee contributions. He further commented that fund ranked in the 92nd percentile, so it only outperformed 8% of the other public funds. He summarized that the investment in .com stocks caused a substantial loss to the fund and it took several years to recover. Current funding levels for 2012 were 58.5% funded, which is better than many other funds. The Chief stated that SB1609 has attempted to make the system 80% funded within 18 years. Currently there are lawsuits pending which claim this bill violates the state constitution. If the bill is shot down, then the 58% funding level will not remain. The District's contribution rate will continue to increase for the next several years. He further commented that for a small district, disability retirements will have a huge impact.

Chairman Bauer called for further discussion. There was none.

6. ADJOURNMENT

Chairman Bauer declared the meeting adjourned at 9:26 AM.

APPROVED ON: _____

SIGNED BY: _____