



# CITY OF TOLLESON

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## TOLLESON POLICE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD MEETING ACTION MINUTES

**ZOOM MEETING ID: 847 5640 5298**

**WEDNESDAY, MARCH 5, 2025**

**5:05 P.M.**

### OR UPON ADJOURNMENT OF TOLLESON FIRE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD

**THIS MEETING WILL BE HELD BY REMOTE PARTICIPATION ONLY.**

Members of the public may participate in the meeting via Zoom with a computer or cell phone by visiting the following direct link: <https://us02web.zoom.us/j/84756405298>.

#### **CALL TO ORDER**

**Chair Chavira called the Tolleson Police Public Safety Retirement Board Meeting to order at 5:24 P.M.**

#### **ROLL CALL**

**Present: Chair Christine Chavira, Board Members Gerardo Ruiz and Sheryl Heier.**

**Board Representatives: Board Secretary Wendy Jackson and Board Attorney Lesli Sorensen**

**Administration: Employee Resources Specialist Yareli Zavala and Deputy City Clerk Citlaly Salas**

**Not Present: Board Members Adan Luz Morado and Kyle Bradshaw**

#### **REGULAR AGENDA – ACTION ITEMS**

1. Discussion and Possible Approval of the Police Public Safety Personnel Retirement Board Meeting Minutes of November 6, 2024.

**Board Member Heier moved to approve the minutes; the motion was seconded by Board Member Ruiz. The motion carried 3 to 0.**

**Chair Chavira – Aye**

**Board Member Ruiz – Aye**

**Board Member Heier – Aye**



2. Introduction of New Board Members and Board Chair

**FOR DISCUSSION**

1. Review of the June 2024 Annual Actuarial Valuation and Police Board Actuarial.
2. Announcements

**ADJOURNMENT**

**Board Member Heier moved to adjourn the Police Public Safety Personnel Retirement System Board Meeting; the motion was seconded by Board Member Ruiz. The motion carried 3 to 0.**

**Chair Chavira – Aye**

**Board Member Ruiz – Aye**

**Board Member Heier – Aye**

**The meeting was adjourned at 5:40 P.M.**

A copy of the agenda background material provided to Board members (with the exception of confidential information or material relating to possible executive sessions) is available for public inspection at the Board's office, 9055 W. Van Buren Street, at the Employee Resources Department.

Pursuant to A.R.S. § 38-431.01 and A.R.S. § 38-431.02, notice is hereby given to the members of the City of Tolleson Police Public Safety Personnel Retirement System Board and to the general public that the City of Tolleson Police Public Safety Personnel Retirement System Board will hold a meeting open to the public via Zoom conference.

The City of Tolleson Police Public Safety Personnel Retirement System Board may vote to go into executive session, which will not be open to the public, to discuss certain matters. The Board may also vote to go into executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3); and for the discussion or consideration of documents exempt from public inspection for any matter on the agenda pursuant to A.R.S. § 38-431.03(A)(2); and for the discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting. The public body shall provide the officer, appointee or employee with written notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee or employee to determine whether the discussion or consideration should occur at a public meeting pursuant to A.R.S. § 38-431.03(A)(1).

Zoom's live transcription feature can provide automatic captioning by clicking on the Closed

Caption (CC) button during the meeting.

**THE CITY OF TOLLESON ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO INDIVIDUALS WITH DISABILITIES.** With at least two business days advance notice, accommodations can be provided at this meeting for individuals with vision, hearing and/or speech disabilities, including a transcriber, large print, an interpreter, an assistive listening device, etc. Please call the City Clerk at (623) 936-7111, or TTY users may dial 711 for Arizona Relay Service (AZRS), to request an accommodation to participate in this public meeting. The City will try its best to accommodate any last minute requests.

**LA CIUDAD DE TOLLESON SE ESFUERZA PARA HACER TODAS LAS REUNIONES PÚBLICAS ACCESIBLE PARA INDIVIDUOS CON DISCAPACIDADES.** Con al menos dos días laborables de previo aviso, se pueden proporcionar adaptaciones en esta reunión para personas con discapacidades visuales, auditivas o del habla, incluido un transcriptor, letra grande, un intérprete, un dispositivo de asistencia auditiva, etc. Llame a la Secretaría Municipal al (623) 936-7111, o los usuarios de TTY pueden marcar 711 para el Servicio de Retransmisión de Arizona (AZRS), para solicitar un alojamiento para participar en esta reunión pública. La Ciudad hará todo lo posible para satisfacer cualquier solicitud de último minuto.

Post-Production File

**City of Tolleson**  
**Public Safety Personnel Retirement Police Board Meeting Minutes**  
**March 5, 2025**

Transcription Provided By:  
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SALAS: (Audio begins mid-sentence) and the Chair.

CHAVIRA: Thank you. Good evening everyone. I'm the chair, Christine Chavira, and I would like to call this meeting to order.

This is a meeting of the Tolleson Police Public Safety Personnel Retirement System Board. This meeting is called to order with a roll call. If you're a member -- if you are present, please say aye.

Board member Adan Morado?

Board member Sheryl Heier?

HEIER: Present.

CHAVIRA: Board member Kyle Bradshaw?

And board member Gerardo Ruiz?

RUIZ: Present.

CHAVIRA: Thank you.

Board representatives Wendy Jackson?

JACKSON: Present.

CHAVIRA: And our board attorney Leslie Sorensen?

SORENSEN: Present.

CHAVIRA: Thank you. On our regular agenda items, we have discussion and possible approval of the Police Public Safety Personnel Retirement Board meeting minutes of November 6th, 2024. Do we have a motion to approve the November 6th minutes?

HEIER: Make a motion to approve the minutes.

CHAVIRA: Thank you. Do we have a second?

JACKSON: Board member Ruiz?

RUIZ: Motion to approve. Sorry.

CHAVIRA: Thank you.

All in favor, say aye.

HEIER: Aye.

CHAVIRA: Those opposed, say nay.

Thank you. The motion is carried.

We have an introduction of new board members and the new board chair, and Mrs. Jackson, you have the floor.

JACKSON: Thank you, Board Chair.

We welcome all our new members, especially you, as our new board chair. We welcome you on our board. And we're excited to have you a part of our board for the next two years, hopefully longer.

Also, we have joining us Board Member Ruiz. He is with the police department, and he is on for another two years, and I don't have the term limits with me. My apologies for that.

CHAVIRA: Thank you, and welcome, Gerardo.

RUIZ: Humbled to be here. Thank you.

CHAVIRA: Okay. For discussion, we have a review of the June 2024 Annual Actuarial Valuation and Police Board Actuarial. I'm sorry if I'm mispronouncing that.

SORENSEN: All is well.

All right. So before you, I have the June 30th, 2024 actuarial valuation report for the Tolleson Police Department. I know some of you already heard the fire report, but we'll go ahead and do the same for police.

We've got these two charts on the bottom of page 1 which show the change in the contribution rate from the fiscal year prior 2023 to fiscal year 2024. And you can see you have a decrease for your Tier 1 and Tier 2 members on the pension side from 17.54 percent to 15.06 percent for the pension.

A very slight uptick on the health plan, for a total of 15.19 percent, which is about 2 1/2 percent lower than last year's rate.

On the Tier 3, we're seeing a decrease on both the pension and the health side for a total of 8.52 percent.

Your plan funded status went from a really excellent 91.5 percent to an even more excellent A+, 97.5 percent. Again, significantly driven by additional contributions that the City has made towards this police department plan.

Your health plan is over one hundred percent funded. So the combination of those two

plans -- and it is based on asset base. So the pension is so much bigger than the health that, you know, the pension is the bigger driver, but you're at a ninety-eight percent funded status overall, and you should be really, really proud of that. Some of your community's sister, brother communities are not quite as funded as you are. So really well done. The extra contributions will ultimately save the City a lot in the long run. And you can see just a very small uptick in the funded status for your Tier 3 members. But again, no problems there. You're about a hundred and ten percent funded for the pension and health for your Tier 3 members.

The development here, similar to what we saw in fire, asset experience was a little bit negative when it came to the contribution rate. Payroll growth didn't grow quite as much as was projected on an actuarial basis, which had a positive impact on your contribution rate.

The biggest, biggest driver here, though, again, is that additional contributions that the City made towards the trust fund here has reduced the contribution rate by three-and-a-half percent. And as I mentioned before, to the extent that your payroll is growing, it's a lot better to pay three-and-a-half percent less every year than it is to pay the additional contribution. So you're -- you'll, you'll end up in a really good place in the long run.

And then again, similar to the funded status, we see it should be opposite of what we see from the contribution rate side. So the asset experience again would have decreased your contribution rate just a skosh. But the additional contributions of that 4.7 percent are really increased your funded status. I mean, that's, you know, a brief math here, a little bit more than half of your overall increase was attributable to those additional contributions that were made.

From the Tier 3 side, again, the asset experience here would have had a negative -- or a positive increase on your contribution rate by more than the asset experience would have on the Tier 1 and Tier 2 funded status. But you know, again, that's a smaller trust fund, but we do like to see it very healthy, and your plan is extremely healthy at this point.

As I mentioned in fire, this is sort of how the contribution rate is developed. The normal cost for the police department is slightly lower than the normal cost for the fire, at 20.89 percent. The employees still, though, pay, whether it's police or fire, that same fixed 7.65 percent of pay for the Tier 1, leaving you with a net normal cost of the 13.25 percent. And here the unfunded liability, as you saw, you're about 98 percent funded is a much smaller amount of only 1.82 percent, meaning that your total cost is 15.06 here. The health plan, you do have a little bit of a contribution rate here, because the normal cost looks like it was maybe a little bit higher for the police on the health benefit supplement side. But overall, a pretty great contribution rate; 15.19 percent. You're so close to that normal -- that normal cost rate. You're really doing yourself a great service. And your ACR, the alternate contribution rate, will be the statutory minimum 8 percent, because, again, your amortization of your unfunded liability amount is only 1.82 percent, and the City will directly see the benefit of that. So any excess over your 1.82 that you're paying the 8 percent will essentially just be excess contributions that are credited in the future. So you'll see the positive increase, even by the fact that you're sort of overpaying yourself on the alternate contribution rate side.

The concern when that was developed by the legislature was that if it got down so low to a really low minimum, that it wouldn't ultimately be effective. And since you're sort of paying yourself back, it didn't really matter that you might be overpaying yourself. So unless there's any further questions, I may just briefly -- so here is where we can see the value of the contributions that were made.

The normal cost they would have expected you to make contributions of 253,000. And I don't see that this is in case. So 253,000. But you actually made contributions of 1.53 million. So that's where you can sort of see the delta on the additional contributions that have been made. And just imagine if this actual contributions would have been, you know, 1.2 million lower, these numbers would have been significantly different when it came to your contribution rates and how much you actually owed to the plan in the next fiscal year.

JACKSON: For the Tier 3, it was higher because it's a -- it's a statewide pool?

SORENSEN: Yeah. I mean, you gave a little bit of extra -- of actual contributions.

JACKSON: That seems kind of high.

SORENSEN: So -- but yeah.

JACKSON: Okay.

SORENSEN: I mean, it's a little bit extra. We could delve into that if you wanted to look at that offline and see --

JACKSON: Yeah. I probably do.

SORENSEN: -- what that looks like.

JACKSON: Okay.

SORENSEN: Okay.

I know I didn't mention on fire, but the PSPRS uses a seven-year schedule for amortizing gains and losses in the plan. And this is to sort of help deal with volatility on market return. So what they do is you are still looking at one years' worth of 2018 asset experience in the plan for 2024. And that had a net -- was a negative amount. So unfortunately 2020 -- or 2018 was a negative fiscal -- or negative market year. You see the same for 2019. Same for 2020. But you had some pretty good experience -- and this is PSPRS's overall market. This isn't like you invested this specifically for Tolleson. So you can see there was a pretty good asset experience in 2021. Not a great one in 2022.

But again, to offset the volatility of if you had to in one year take this entire \$204 million loss into the plan, that would be really devastating as far as contribution rates and funded status. And so they use a longer schedule.

And this chart overall tells you, okay, how much positive and negative am I going to have each year going forward? What does it look like in that seven year out year schedule? And so this is where we get the total amortization numbers. And these get updated every year.

You know, 2018 will then roll off, and hopefully I -- and I do think that they have positive asset experience to bring in for 2025 at least so far. I'm hearing things are pretty good. So I mean, I know there's been some market volatility with the tariffs and things. So but

it's a long year left. The fiscal year ends June 30th. So we'll see what that ends up being -- looking like at the end here. But just an interesting chart to see why the idea is that we don't just hit one year at a time. We look at it on the seven-year schedule. There used to be a much longer amortization schedule. Sometimes it was up to 30 years. I know ASRS was using a 30 year at some point, which made this just a little bit nuttier and didn't seem to take into actual market true kind of market returns. And so they've made some funding policies both at the legislature and at PSPRS to narrow this window down to a seven-year amortization, which seems to be working out for everybody. It did have some increases in contributions and decreases in funded status when it was first implemented, but it seems to be working out pretty well.

And you also can see here that the rate of return that the system is trying to benchmark every year at this point is 7.1 percent. And the market value of this amortized is 10.2. So there is positive market return based on, you know, what the system has been earning.

I am hearing that they are planning to continue to decrease the 7.1 percent rate. It used to be nine percent, and they have slowly chunked away at it to bring it down to a little bit closer to kind of the interest free rate. So they don't have to quite earn as much as they were trying for which led to some problems with asset allocation and maybe trying to -- you know, trying to hit a nine percent every year is a really difficult market return. So the 7.1 is a little bit more, I think, based in reality. And -- but as they did that, it definitely increased contribution rates while they're bringing it down. So we would expect to potentially see if they do bring that actuarial rate of return down again, a very slight uptick in your contributions for when that gets implemented.

And then I'm just going to move again to your member statistics. The police department, slightly more volatile than your fire but not really. You see that you lost one active between 2023 and 2024 in the tier. But I did not see that person catch in the retirees. I do, though, see one increase in DROP. So likely, that person went from active in 2023, entered DROP, and so that's why you see the increase there. But you did add three Tier 3 members into the active pool.

And you can see again the average annual salary between Tiers 1 and 2. We would expect those to be higher. Those are going to be your lieutenants, your captains, your chief will be in those Tier 1 and 2 generally, unless you have a newer chief, then maybe they're in Tier 3. And then you can also see what your beneficiaries, your disabled members and your retirees are making in retirement and look at your overall account. Again, the past service not nearly as close to being kind of age towards retirement as the fire department was. The past service here is only about fifteen and a half. So you definitely have a little bit more planning and transition time when it comes to the police department as far as nearness to retirement goes.

With that, if there are any questions, happy to answer them. Otherwise, you have done your duty for the year reviewing your annual actuarial valuation. Positive numbers.

CHAVIRA: Thank you. Thank you.

Questions, anyone?

Okay. We'll move on to the next agenda item, which is announcements. Does anyone have any announcements?

No. Alrighty. Do we have a motion to adjourn?

HEIER: I make a motion to adjourn.

CHAVIRA: Thank you. Do I have a second? Gerardo, can we have a second?

JACKSON: Board member Ruiz?

RUIZ: I'm still on mute. I second. I apologize.

CHAVIRA: Thank you so very much. All in favor, say aye.

HEIER: Aye.

CHAVIRA: Aye.

Those opposed, say nay.

The motion is carried and the meeting is adjourned. Thank you all so very much.

SORENSEN: Thank you so much.

RUIZ: Thank you.

**CITY OF TOLLESON**  
**MARCH 5, 2025 PUBLIC SAFETY PERSONNEL RETIREMENT POLICE BOARD MEETING MINUTES**

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APPROVED:

*Christine Chavira*

Christine Chavira (May 12, 2025 05:22 PDT)

CHRISTINE CHAVIRA, CHAIR

ATTEST:

*Wendy Jackson*

Wendy Jackson (Jun 9, 2025 21:58 PDT)

WENDY JACKSON, SECRETARY

CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING MINUTES ARE A TRUE AND CORRECT COPY OF THE MINUTES OF THE MEETING OF THE POLICE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD OF THE CITY OF TOLLESON, ARIZONA, HELD ON MARCH 5, 2025. I FURTHER CERTIFY THAT THE MEETING WAS DULY CALLED AND HELD, AND THAT A QUORUM WAS PRESENT.

*Wendy Jackson*

Wendy Jackson (Jun 9, 2025 21:58 PDT)

WENDY JACKSON, SECRETARY