

**GOLDER RANCH FIRE DISTRICT  
PUBLIC SAFETY PERSONNEL RETIREMENT  
LOCAL PENSION BOARD MEETING  
MEETING MINUTES**

Thursday, December 18, 2025, 10:00 a.m.  
1600 E. Hanley Boulevard Oro Valley, Arizona 85737

**1. CALL MEETING TO ORDER/ROLL CALL**

Chairperson Vette called the meeting to order on Thursday, December 18, 2025, at 10:00 a.m.

Members Present: Chairperson Wally Vette, Vice Chairperson Lee Mayes, and Board Member Dean Stevens

Members Absent: Board Member Cavaletto, Board Member Delong

Attorney Steve Bosse and Local Board Secretary Shannon Ortiz were also present.

**2. SALUTE AND PLEDGE OF ALLEGIANCE**

All in attendance recited the Pledge of Allegiance.

**3. CALL TO THE PUBLIC**

There was no call to the public.

**4. CONSENT AGENDA**

*The consent portion of the agenda is a means of expediting routine matters. Any item may be moved to Regular Business for discussion and possible action by any member of the Board.*

- A. APPROVE MINUTES – AUGUST 14, 2025, LOCAL PENSION BOARD SPECIAL SESSION MEETING MINUTES
- B. APPROVE MINUTES – AUGUST 14, 2025, LOCAL PENSION BOARD EXECUTIVE SESSION MEETING MINUTES ITEM 5A
- C. APPROVE MINUTES – AUGUST 14, 2025, LOCAL PENSION BOARD EXECUTIVE SESSION MEETING MINUTES ITEM 5B

**MOTION** by Vice-Chairperson Mayes to approve the December 18, 2025, Consent Agenda

**MOTION SECONDED** by Board Member Stevens

**MOTION CARRIED 3/0**



## 5. REGULAR BUSINESS

### A. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPROVAL OF THE 2025 PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM'S ANNUAL ACTUARIAL REPORT PURSUANT TO A.R.S. §38-847(D)(7)

Local Board Secretary Ortiz stated the GRFD by-laws require the Local Pension Board to adopt the actuarials once a year. Director Christian was asked to attend the meeting to answer any questions the Board had regarding the actuarial report.

Director Christian stated there was information of significance provided in the executive summary. The contribution rate listed in the funded status section for the District (nothing changes for the employee) in six months was 18.49% aggregate. So the District was paying 18.49% of pensionable wages for all tier 1 and tier 2 employees. Tier 3 is significantly less, but it is a minority of the population. The change in the rate the District is going to experience in 2027 fiscal year, is going to be 20%. It will increase by 2%. But the way the State reconciled the rate increase was by lowering the asset experience rating decreased by .34%, payroll base went down .38%. The major impact will be the 2% increase in the liability experience, this will increase the District's contribution rate from 18.49%, to 20.07%. The asset experience decreased .34%, this was a result of receiving an 11% return on assets. The market value of the financial assets of the plan gained 11% in 2024 and 2025. Because the District chose a seven year smoothing, the actual realized return rate was 7.9%. The plan needs 7.2% in order to maintain all of its assumptions. So, the plan beat the baseline rate of return by about .7%. That is a good thing. As the years progress and if it continues to perform like this the District will see the rate of return gradually increase. This had a positive impact on the District's rate but it did not come close to mitigating the 2% increase in the liability. At the end of the day, the District will be paying 20.07% for the District's contribution rate.

Director Christian continued to explain the actuarial report. He stated under member statistics, in 2024 the District had 214 active members, of which 153 were Tier 1, 61 were Tier 3. So only 29% of active members were Tier 3, the remaining 70% were Tier 1 and Tier 2. In 2025, 34% of the population of active members were Tier 3, 66% of the membership were Tiers 1 & 2. This was a visible shift from Tiers 1 & 2 to Tier 3. This is a consequence of the fact that no one new is moving into Tier 1 and 2 and the fact that members are retiring. Recently 8 people have retired that were in Tiers 1 & 2. The other thing mentioned in the report was there was a significant increase in the average salary from \$98,000 to \$108,000 in Tiers 1 & 2. This is what caused the 2% increase and what will be driving the unfunded liability. The plan went from 93% funded down to 90% funded. The District lost 3% of its funded status in one year. This is a consequence of the labor base going up. This is due to wage inflation, due to the fact that across the State wages are climbing in particular public safety wages. The District's wage schedule is trying to keep up with this. This is telling of why the District's rate is increasing by 2%. Director Christian stated a \$4.5 million dollar contribution was made to the GRFD plan in August, from



the GRFD fund the District had control of to PSPRS in order to increase the funded status. He anticipated it would increase the funded by 3 or 4%. It should go from about 90% to about 94%. There was an increase in legacy costs of 2.1%. This is paid by Tiers 1, 2 & 3 and there is an increase in the overall District's contribution. This is the takeaway from the actuarial report. He added investment returns have been strong and they continue to grow, even in a seven-year smoothing period. However, the wage pressure is having an adverse impact on the District's contribution.

Chairperson Vette thanked Director Christian for doing the additional funding. He asked how much the 2% would increase the wages and benefits.

Director Christian replied 2% would be approximately \$500,000 to \$600,000 increase in PSPRS costs. He believed it would be less than a million dollars.

Vice-Chairperson Mayes asked if the District was funded 100% four or five years ago.

Director Christian responded in FY 2022 the District was at 100% funded status. Because the District sold COP bonds for \$24 million. Twenty-million was invested in PSPRS, \$4 million was held as a contingency reserve fund. That was the fund that grew to \$4.5 million, those funds, the residual monies, were invested in the fund. This was done to continue to shore up the liability, to find parity between the assets and liability.

Vice-Chairperson Mayes asked if it was normal for the plan to continue to go down.

Director Christian confirmed he was correct. This was the trend for all public safety entities across the State. They are continuing to have to contribute more than the normal cost because of the fact that the liability has grown faster than what the employers have been contributing. The fact that the District is still 90% funded places the District in an elite group. He would like the District to remain at 100% however, it comes at a cost. He believed if the District could find a stabilization within the labor rates and the wage inflation backs off a bit and the District could hold the line on labor schedule/ salary schedule and the District does not have to do the cost of living adjustments, the District could find a leveling of the liability.

Chairperson Vette asked, in the future, when Tier 1 and Tier 2 employees retire, would this have an impact on the District's funding need?

Director Christian verified, this is exactly what is going to happen. What the District is going to see is no new funds going into the plan and there will be a winding down of the plan as members are fully retired. There will come a point where there will not be any Tier 1 or Tier 2 employees who are actively contributing. The plan assets will trend down as will the liability. The numbers will fall until they eventually reach zero. He was not sure what that looked like in the meantime. The legacy contribution is currently at 2.2% is being paid by Tier 3. Tier 3 is still putting assets in Tier 1 and Tier 2.



**MOTION** by Board Member Stevens approve 2025 Public Safety Personnel Retirement System’s Annual Actuarial Report as presented.  
**MOTION SECONDED** by Vice Chairperson Mayes  
**MOTION CARRIED 3/0**

- B. REVIEW, DISCUSSION, AND POSSIBLE ACTION REGARDING THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM'S LOCAL PENSION BOARD OFFICERS DESIGNATION/AFFIRMATION

**MOTION** by Chairperson Vette to nominate Wally Vette as the Chairperson, Lee Mayes as the Vice-Chairperson and Shannon Ortiz as Secretary of the GRFD PSPRS Local Pension Board  
**MOTION SECONDED** by Board Member Stevens  
**MOTION CARRIED 3/0**

- C. REVIEW, DISCUSSION, AND ACKNOWLEDGMENT OF RECEIPT OF EMPLOYER’S CERTIFICATION OF TERMINATION FOR AUSTIN LILLESTOL

Local Board Secretary Ortiz stated this employee was with the district for a short period of time. He submitted his paperwork to withdraw his PSPRS contributions. The paperwork was submitted to the State by Human Resources, however the document also requires the Local Pension Board receive a copy. This agenda items serves as official documentation of this requirement.

- D. REVIEW, DISCUSSION, AND ACKNOWLEDGMENT OF RECEIPT OF EMPLOYER’S CERTIFICATION OF TERMINATION FOR JOHN TUCKER

Local Board Secretary Ortiz stated this was also a former GRFD employe who submitted his paperwork to withdraw his PSPRS contributions. The paperwork was submitted to the State by Human Resources, however the document also requires the Local Pension Board receive a copy. This agenda items serves as official documentation of this requirement.

**6. FUTURE AGENDA ITEMS**

There were no future agenda items recommended for the next meeting.



**7. ADJOURNMENT**

**MOTION** by Board Member Stevens to adjourn the meeting at 10:28 a.m.

**MOTION SECONDED** by Vice-Chairperson Mayes

**MOTION CARRIED** 3/0



---

Wally Vette, Chairperson  
Public Safety Personnel Retirement System  
Golder Ranch Fire District  
Local Pension Board

