



Red Alert!!!

by Mike Galloway

All hands!! Man Your Battle Stations!! This is not a drill, repeat, this is not a drill!!

The Arizona Police/Fire Pension system, as in many other states, is in the cross hairs of the media and Arizona politics. The AZ Republic recently ran an 8 day series on Arizona pension systems including our very own Public Safety System. (Link Below)

<http://www.azcentral.com/news/articles/arizona-pension-funds-publicsafety.html>

If you based your judgment solely on the media, you would think our system is on the brink of collapse.

Our pension system is like an athlete that quit working out and gained 20 lbs. We need to get the system back into shape, but it took years to get overweight so it will take time to recover. There are powerful people out there calling for radical experimental "surgery". Seriously, if you went to a doctor 20 lbs overweight and were not exercising and eating properly, do you think wiring your jaw shut and stapling your stomach would be your doctor's 1st step?

Our pension system has 5 basic ailments:

1-The stock market has been terrible for the last 10 years. Upon my appointment to the Pension board in 2007 our pension system investments were performing in the bottom 4% of Public Pension systems. It doesn't get much worse than that. When I left as Chairman of the Investment Committee last April, we were nominated for "Pension System of the Year". We completely overhauled our investment program, and are now climbing out of the hole.

2-There are some loopholes that need to be addressed which allow for pension spiking. If the pension system projects your pension will be a certain amount and you radically increase the pension in the last 3 years, the system cannot adequately adjust the funding levels. Think of saving enough money to send a child to a community college only to find out at the last second they are going to Harvard.

3-About 10 years ago, the system enhanced our benefits without improving the funding mechanism. Maintaining the same benefit is getting more expensive than it used to be.

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POLICE

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DROP Rollovers Signed with Galloway Asset Management, LLC

Upcoming DROP Seminars

*** Includes Pension Change Update *****

January 12th--Wednesday

PLEA --Phoenix Law Enforcement Association
1102 West Adams Street, Phoenix AZ
Lunch: 11:30-12:00
Seminar: 12:00-1:30

*** February 15th--Tuesday

AZ National Guard (Russell Auditorium)
5636 E. McDowell Road, Phoenix, AZ
Lunch: 11:30-12:00
Seminar: 12:00-1:30

March 2nd-- Wednesday

Tucson Fire Central (Training Room)
300 S. Fire Central Place, Tucson, AZ
Lunch: 11:30-12:00
Seminar: 12:00-1:30

March 7th--Monday

PPLSA -Phoenix Police Sergeants & Lieutenants Association
8821 N. 7th St. Phoenix
Lunch: 11:30-12:00
Seminar: 12:00-1:30

*** April 12th--Tuesday

AZ National Guard (Russell Auditorium)
5636 E. McDowell Rd.
Lunch: 11:30-12:00
Seminar: 12:00-1:30

May 3rd --Tuesday

PPLSA -Phoenix Police Sergeants & Lieutenants Association
8821 N. 7th St. Phoenix
Lunch: 11:30 -12:00
Seminar: 12:00-1:30





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4- Cities contribute on a sliding scale based on investment performance and funding levels. In good times, they may not put in any tax dollars with only the employees contributing. In hard times, city contributions rise significantly; some agencies have over 20% of the employees salary per year paying into the pension system. Cities found it very difficult to save money during good times, while they paid almost nothing into the public safety system. Now they are getting hammered when asked to cough up extra money during difficult times. This is a roller coaster that is difficult to manage. An employer's minimum contribution floor has already been set to solve this problem going forward.

5- DROP is like the poster child to point fingers at. DROP is not hurting our pension system, and with minor tweaks, would actually be profitable for taxpayers.

What happens next? There are some angry uninformed people that want to take away the pensions you actually paid for with your contributions and "blood, sweat & tears". I call upon all police/fire, labor/management organizations to unite: make stabilizing and saving your pensions the only legislative agenda item for 2011.

Nobody is safe, including retirees. Yes, you heard me correctly. Existing pensions are in serious jeopardy too!

Galloway Asset Management, LLC is following this issue very closely, and we will keep you posted. Forward this article to your friends whether already retired or active duty. They can subscribe for future alerts and newsletters on our website at www.Galloway911.com or call our office.

A reasonable person that understands all the issues will support our cause. We must unite, educate and save our pensions. It's very easy to create passion, but difficult to convert that passion to action. This is a call to action!!!

Here are 5 easy steps you can do now:

1. Forward this newsletter to all your Police/Fire friends.
2. Subscribe to our newsletter.
3. Volunteer to help your local and state police/fire unions and associations.
4. Join your PAC (Political Action Community) Fund.
5. Read your union/association newsletters.

We will keep you posted.

Stay Safe,

Mike Galloway



City of Phoenix Police Department and Community Helping Children and Families

Angels on Patrol was founded in 2009, by Lt. Jacqui MacConnell, of the Phoenix Police Department. The mission of Angels on Patrol is to support youth who have been neglected, abused or whose families are facing extreme financial hardship while also making it possible for Phoenix Police Officers to provide additional help to children.

It all started when her squad responded to a call where they rescued three young children, who had been confined to a cage their entire lives. The three boys have since been adopted by their foster family and are thriving.

Be a part of the solution. If you are a Phoenix Police Officer and you come across a crisis situation, complete a Family Application Form and submit it to Angels on Patrol. If you would like to help this organization, please contact Lt. Jacqui MacConnell at 602-541-4529, or you may send her an email at Jaqui@AngelsonPatrol.com. You may also make a donation through the website by visiting www.AngelsonPatrol.com and click on DONATE.

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