

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

ADVISORY COMMITTEE MEETING

September 20, 2021

MINUTES

Present: Mr. Kenny Tims, Committee Chairman – remote
Mr. Joe Hester, Committee Vice Chairman – remote
Mr. Tom Belshe – remote (left at 10:57 AM)
Ms. Grace Appelbe – remote
Mr. John Flynn – remote
Mr. Jay Polk – remote
Ms. Linsey Goodwin – remote
Mr. Fletcher Montzingo – remote
Mr. Craig Sullivan – remote
Mr. Richard Mehner

Absent: Mr. Daven Byrd

Others Present: Mr. Michael Townsend, Administrator
Mr. Michael Smarik, Deputy Administrator
Mr. Bret Parke, General Counsel/Assistant Administrator
Mr. Brian Moore, Trustee – remote
Mr. Scott McCarty, Trustee – remote
Ms. Claudia Martinez, Executive Assistant – remote
Ms. Cathleen Davis, Internal Auditor
Ms. Angela Egelhoff, Compliance Officer
Mr. Paul Baugher, Foster & Foster – remote
Ms. Ann Byman, Foster & Foster – remote
Mr. Brad Heinrichs, Foster & Foster – remote
Mr. Ernie Escobedo, Jr. IT Systems Engineer

1. Call to Order; Pledge of Allegiance; Roll Call; Opening Remarks.

*Kenny Tims
Committee Chairman*

The meeting was called to order by Committee Chairman Tims at 9:02 AM. The Pledge of Allegiance was recited and roll was called. New members Ms. Goodwin and Mr. Fletcher introduced themselves.

2. Call to the Public.

This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

There was no response to the Call to the Public, due to COVID19 physical presence of the public was not permitted.

3. Review, discussion and possible approval of the Advisory Committee Meeting Minutes from July 19, 2021 and August 3, 2021.

Mr. Kenny Tims

Moved by: Mr. Tom Belshe

Second by: Mr. Jay Polk

Time: 9:07 AM

Motion: Approval of the Minutes as presented.

Discussion: None

Vote: 10 – 0

4. Discussion and possible Action on recommendation to the Board of Trustees regarding possible PSPRS funding policy legislative clarification.

*Mr. Kenny Tims
Mr. Michael Townsend
Administrator*

Presentation regarding the funding policy and possible revisions was provided by Mr. Townsend. Committee engaged in brief discussion regarding the presentation, specifically the reduction of contributions for over PVB funded plans.

Moved by: Mr. Craig Sullivan

Second by: Mr. Tom Belshe

Time: 9:13 AM

Motion: Recommend the Board of Trustees add the list of funding policy legislative clarifications to the PSPRS 2022 legislative agenda.

Discussion: None

Vote: 10 – 0

5. Review, discussion and possible Action on recommendation to the Board of Trustees regarding potential legislative changes related to taxability of Cancer Insurance Program premiums and related taxability of indemnity benefit payments.

*Mr. Kenny Tims
Mr. Michael Smarik
Deputy Administrator*

Presentation regarding taxing of the programs premiums and benefits was provided by Mr. Smarik. Presentation included a summary of the current situation for PSPRS members vs. CORP members, issues and concerns caused by the current process, and potential solutions. Several Committee members inquired on various aspects of the presentation and the program.

6. Review, discussion and possible Action on recommendation to the Board of Trustees regarding potential legislative changes to the Cancer Insurance Program related to retiree coverage.

*Mr. Kenny Tims
Mr. Michael Townsend
Ms. Ann Byman
Foster & Foster*

Presentation regarding the programs retiree coverage was provided by Ms. Byman. Presentation included brief background, current state, and a recap of analysis done in 2020, proposed legislation changes, and outline of the following steps. Several Committee members, Staff and Ms. Byman engaged in discussion regarding various aspects of the presentation. Committee inquired on program availability communications and directed Staff to continue the increase of communications. Committee requested more information be obtained before making a decision.

7. Review, discussion and possible Action on recommendation to the Board of Trustees regarding potential legislative changes related to return to work Employer options.

*Mr. Kenny Tims
Bret Parke, Esq.
General Counsel / Assistant Administrator*

Presentation regarding return to work options for Employers was provided by Mr. Parke. Presentation included federal and state law requirements and considerations, alternative contribution rate, current bona fide separation requirements, and potential recommendations. Committee members and Staff engaged in discussion regarding various aspects of the presentation, reason thereof and the suggested recommendations. Committee agreed to continue discussions at the next meeting.

8. Review, discussion and possible Action on recommendation to the Board of Trustees regarding potential legislative changes related to Tiers 1 and 2 assets and liabilities.

*Mr. Kenny Tims
Mr. Michael Townsend*

Presentation regarding the structure of Tiers 1 and 2 was provided by Mr. Townsend. Presentation included the question of keeping Tiers 1 and 2 assets and liabilities combined or separate and how Tier 2 was created. Brief discussion was held and Committee agreed to continue discussions at the next meeting.

9. Review, discussion and possible Action on recommendation to the Board of Trustees regarding lateral transfers.

Mr. Kenny Tims
Mr. Michael Townsend

Item was tabled until the next meeting.

10. Schedule future meeting date(s).

Next meeting will be held before the October 27, 2020 Board of Trustees meeting.

11. Adjournment.

Moved by: Mr. Jay Polk

Second by: Mr. Joe Hester

Time: 11:22 AM

Motion: To adjourn meeting.

Discussion: None

Vote: 10 – 0

Mr. Kenny Tims, Committee Chairman