

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BOARD OF TRUSTEES OPERATIONS, GOVERNANCE POLICY AND AUDIT COMMITTEE MEETING

June 22, 2022

MINUTES

Present: Mr. Dean Scheinert, Committee Chairman, Trustee - remote
Mr. Alan Maguire, Trustee – remote
Mr. Brian Moore, Trustee
Mr. Nate Weber, Trustee – remote

Others Present: Mr. Michael Townsend, Administrator
Mr. Scott McCarty, Trustee – remote
Ms. Claudia Martinez, Executive Assistant
Ms. Cheryl Cohen, Investments Executive Assistant – remote
Bret Parke, Esq., Assistant Administrator/General Counsel
Mr. John Moorman, Chief Financial Officer
Mr. Jack Jordan, Accounting Controller – remote
Mr. Robert Ortega, Member Services Director – remote
Ms. Cathleen Davis, Chief Internal Auditor
Ms. Angela Egelhoff, Chief Compliance Officer
Mr. Christian Palmer, Communications Director
Ms. Rajee Mohan, Jr. IT Systems Engineer

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

Mr. Dean Scheinert, Committee Chairman

The meeting was called to order by Committee Chairman Scheinert at 1:31 P.M. The Pledge of Allegiance was recited and roll was called.

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 and/or appropriate Action for approval of items on the Consent Agenda (documentation concerning the matters on the consent agenda may be reviewed at the PSPRS office). Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed as a regular agenda item upon the request of any member of the Operations, Governance Policy and Audit Committee.

- a. Administrator update.**
- b. Year to Date Budget Report.**
- c. Law Firms' Billings for Legal Services.**
- d. Local Board Rehearing Report.**
- e. Communications Efforts Report.**
- f. Human Resources update.**
- g. Approval of the Operations, Governance Policy and Audit Committee Minutes from April 19, 2022.**

Mr. Dean Scheinert

Reports a through g were provided, no further discussion was held.

Moved by: Mr. Alan Maguire

Second by: Mr. Brian Moore

Time: 1:33 P.M.

Motion: Approval of the Minutes as presented.

Discussion: None.

Vote: 4 – 0 Passed

4. Review, discussion and possible Action on recommendation to the Board of Trustees regarding the PAFR (Popular Annual Financial Report).

Mr. John Moorman, Chief Financial Officer

Mr. Moorman reviewed the PAFR and detailed all edits/updates since last meeting. Messrs. Scheinert, Maguire and Moore inquired on the addition of including a note and/or a date in the report detailing the data date and Tier 3 information.

Moved by: Mr. Alan Maguire

Second by: Mr. Brian Moore

Time: 1:54 P.M.

Motion: Recommend the Board of Trustees approve the Popular Annual Financial Report with the minor changes discussed.

Discussion: None.

Vote: 4 – 0 Passed

5. Review, discussion and possible Action on recommendation to the Board of Trustees regarding the GASB reports.

Mr. John Moorman

Mr. Moorman reviewed the GASB report and detailed the edits made since the last meeting and noted that some of the reports are yet to be received. Committee decided to not make a motion at the moment and wait until all reports have been received.

6. Presentation and discussion on Member Services staffing impacts on operations.

Mr. Robert Ortega, Member Services Director

Informational presentation was provided by Mr. Ortega. Presentation included operational challenges and changes over the last 2 years, gaps identified for resolution and staffing impacts. Committee inquired on virtual meetings with members and the need of fulfilling member's needs including local board process concerns.

7. Review, discussion and possible Action on recommendation to the Board of Trustees regarding the 2023 legislative list.

Mr. Michael Townsend

Update on the ongoing legislative list was presented by Mr. Townsend. Mr. Moore and Mr. Weber inquired and/or commented on the inconsistency regarding the 90 day election period and academy time counting as service time. Mr. Moore and Staff engaged in discussion regarding clarification of local board statutes and adding the health insurance premium subsidy to the list.

8. Presentation and discussion regarding the PSPRS FY 2021/22 Annual Risk Assessment.

Ms. Cathleen Davis, Chief Internal Auditor

Annual risk assessment presentation was provided by Ms. Davis. Presentation included detailed background and outline of the assessment, risk categories and ratings. Assessment was done on expenditures, staff turnover and time since last audit and the overall risk rating for each program, process or business activity ranging from 1 (low) to 3 (high).

9. Presentation, discussion and possible Action on recommendation to the Board of Trustees regarding adoption of the PSPRS FY 2022/23 Proposed Annual Audit Plan.

Ms. Cathleen Davis

Presentation regarding the proposed Annual Audit Plan was provided by Ms. Davis.

Moved by: Mr. Brian Moore

Second by: Mr. Alan Maguire

Time: 3:24 P.M.

Motion: Recommend the Board of Trustees adopt the PSPRS FY 2022/23 Annual Audit Plan as presented.

Discussion: None.

Vote: 4 – 0 Passed

10. The PSPRS Operations, Governance Policy and Audit Committee may vote to go into Executive Session (which will not be open to the public) to discuss matters pursuant to A.R.S. § 38-431.03(A) (3), including to receive legal advice from the Committee's attorneys on any matter listed on the agenda.

The Committee did not vote to go into Executive Session.

11. Schedule future meeting date(s). (Currently calendared for August 16, 2022 at 10:00 AM)

Next meeting date is incorrect. Next meeting date is calendared for July 18, 2022 at 10:00 AM.

12. Adjournment.

Moved by: Mr. Alan Maguire

Second by: Mr. Brian Moore

Time: 3:27 PM

Motion: To adjourn meeting.

Discussion: None.

Vote: 4 – 0 Passed

Mr. Dean Scheinert, Committee Chairman