

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

**ADVISORY COMMITTEE
MEETING**

October 18, 2017

MINUTES

Present: Mr. Ken Strobeck, Chairman
Mr. Kenny Tims, Vice Chairman
Mr. Daven Byrd
Mr. Matt Clark
Mr. John Flynn
Mr. Joe Hester
Mr. Manuel Johnson
Mr. Richard Mehner
Mr. Jay Polk – Excused at 11:35 a.m.
Mr. Craig Sullivan

Others Present: Mr. Jared A. Smout, Administrator
Mr. Dave DeJonge, Deputy Administrator
Ms. Ivy Voss, Assistant Attorney General
Ms. Michelle Pechan, Paralegal – Excused at 11:20 a.m.
Mr. Don Mineer, Local Board Training Coordinator
Mr. Christian Palmer, Communications Director
Ms. Vivian Padilla, Media and Publications Specialist
Mr. Tim Jackson, Compliance Officer
Mr. Tom Iannucci, President, Cortex Applied Research
Mr. Stan Hoover, Fraternal Order of Police and PSPRS Retiree
Mr. Brian Moore, Phoenix Fire Department Local Board Member

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

*Mr. Ken Strobeck
Committee Chairman*

Chairman Strobeck called the meeting to order at 10:04 a.m. The Pledge of Allegiance was recited.

Administrator Smout's opening remarks were regarding protocol and the committee's communication with the Board and Staff. He invited the committee members to e-mail him about their ideas as to a formal way to proceed and ideas for their agenda development which he will then communicate with Chairman Strobeck. There was a brief discussion as to how to take the actions of the committee to the Board of Trustees.

2. Review, discussion and possible approval of the Advisory Committee Meeting Minutes from September 20, 2017.

Mr. Ken Strobeck

MOTION:1-10/18/17	At 10:11 a.m.
Motion:	Motion to approve the Advisory Committee Meeting Minutes from September 20, 2017 as amended. A note that under the motion number 1 for 2-9-17 the phrase “when selecting independent medical examiners” should be replaced by “the medical board”. Also the motion was seconded by Mr. Sullivan.
Moved by:	Mr. Johnson
Seconded by:	Mr. Clark
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

3. Discussion of issues relating to implementation of consolidated medical boards; possible reconsideration of previous recommendation.

Mr. Ken Strobeck

Following the last Board of Trustees meeting on September 29, 2017 it was realized the Advisory Committee did not have all the information regarding implementation of the consolidation of medical boards since there are some other views that are important to hear. In order to make legislative development easier, we must hear all stakeholders for a consensus to be established. Mr. Stan Hoover, Fraternal Order of Police and Mr. Brian Moore, Phoenix Fire Department Local Board Member spoke regarding the decision made during that Board meeting. The decision was made without knowing the functions within a local board. Mr. Hoover and Mr. Moore, both with extensive experience serving on their respective local boards, gave a presentation describing the role of the local board, how local boards review disability applications and how those disability determinations are thoroughly reviewed by the PSPRS administrative office. They are not in favor of consolidating all of the local boards, but agree that some local boards need educational assistance and training.

Discussion of local board consolidation is not as simple as a single state board regarding disability and the rebuttal that there currently is a system to review each local board decision and that local determination adds additional oversight without bureaucracy.

Mr. Clark added that the prior motion was not designed to take away or completely transform the local board system, but to put in place a system that was much more efficient to serve the needs of our smaller communities since they may feel overwhelmed, they may not be doing things correctly and to allow those operating efficiently and in a good manner to continue to do so with the provision they could opt in if they so choose. Also, to put in place a fair board that would create efficiencies through consolidation of those responsibilities under one entity. This is for a medical review board beyond the scope of a local board.

Rebuttal was that on these boards there are people with years of experience and it is not accurate to say that there is no medical expertise on these boards. Administrator Smout was asked to compile statistics as to the granting of a medical disability to make sure we are solving the correct issue.

MOTION:2-10/18/17	At 11:35 a.m.
Motion:	Recommendation that we table the recommendation made at the last meeting on September 20, 2017 with the understanding that a small work group will work with the FOP and the League of Cities to try to determine the raw numbers, make sure we understand the consequences of our decisions so that when we do make a decision going forward regarding disability medical boards, that there is a great likelihood that it will be accepted by the Trust Board and then passed into legislation at a later date.
Moved by:	Mr. Tims
Seconded by:	Mr. Hester
Discussion:	Mr. Clark stated he disagrees with Mr. Tims' position and that is not the underlying problem from his perspective. The reason he made the motion was to make sure that there was a process transparent to the tax payer and to ensure the rights of everyone involved and not to solve what we viewed as rogue disability payments. It was to ensure there was a process in place that was trusted by everybody involved and preserve the rights of others. Another committee member stated uniformity and consistency are a key part of objectivity in determining the disabilities and the degree of injury to workers. Additionally a statement was made that by looking and evaluating it further is not necessarily going to change the recommendation Mr. Clark put forward. It is going to give the Committee a better opportunity to make a good, sound decision for the stakeholders, taxpayers, employers, and employees that work for all of them and makes financial, legal sense.
	Administrator Smout stated that employers with active membership under 100 have a disability rate of about of about 4%; those with active membership of 100-250 have a disability rate of 3%; those over 250 have a rate of 1%. All of these are for those with under 20 years of service. A statement was made that the committee needs additional information to make decisions. Administrator Smout asked the committee members to consider Cortex's option #3 of their memo.
Opposed:	Mr. Mehner, Mr. Sullivan, Mr. Strobeck
In Favor:	Mr. Byrd, Mr. Clark, Mr. Flynn, Mr. Hester, Mr. Johnson, Mr. Polk, Mr. Tims
Motion:	Passes: 6 to 3

4. Discussion and possible **recommendation** regarding local board responsibilities and consolidation.

Mr. Ken Strobeck

Discussion was held regarding how to tell which boards are efficient and which ones are not. The response was to look at their past records. Under current law we have to have a board per employer so if there is a decision regarding consolidation, the law would have to change. Staff is assisting in research regarding this agenda topic. The discussion was tabled.

5. Discussion, feedback and possible **recommendation** on legislative initiatives.

*Mr. Jared A. Smout
Administrator*

The administrator informed the committee regarding the template for statutes that govern our system. He presented an overview of some proposed changes and asked for any questions, comments or feedback.

6. Discussion and feedback on stakeholder communication protocol.

Mr. Jared A. Smout

Discussion was held as to how to disseminate information to stakeholders and/or groups. All meetings are posted on the PSPRS website and Administrator Smout stated we will send out e-mail blasts, which was done for this meeting. We will work on improving communications. Suggestions were made regarding improvements which included helping the committee members communicate with their respective constituents, figure out the roles of the Advisory Committee including what this committee wishes to do beyond the statutory requirements and advise the Board of Trustees regarding this decision. It was suggested that the Advisory Committee have a specific meeting to figure out its role, how to act as a liaison with the Board and how to better their direct contact information. The members of this committee asked for assistance in contacting constituents so they in turn can send out information for and notices to the constituents of upcoming meetings.

Administrator Smout stated a Charter was approved by the Board of Trustees and given to the committee members when they first met in February which included what they felt the committee should be involved in. The Charter and the applicable statutes will be distributed again to the Advisory Committee members.

7. 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.

Mayor Al Gameros of Globe, AZ spoke regarding the responsibilities of local boards and making sure they are not harmed.

It was recommended by a member of the committee that the Call to the Public be moved toward the beginning of the meeting agendas. A working group of the Advisory Committee will be determined.

8. Schedule future meeting date(s).

The next meeting is to be determined.

9. Adjournment.

The meeting was adjourned at 12:09 p.m.

Mr. Ken Strobeck, Chairman