

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES OPERATIONS, GOVERNANCE POLICY and AUDIT COMMITTEE
MEETING**

April 26, 2017

MINUTES

Members Present: Mr. Bryan Raines, Chairman, Trustee
Mr. Ed McNeill, Vice Chairman, Trustee
Mr. Mike Scheidt, Member, Trustee

Others Present: Mr. Jared Smout, Administrator
Mr. Dave DeJonge, Deputy Administrator
Ms. Ivy Voss, Assistant Attorney General – Excused
Ms. Karen Hartman-Tellez, Assistant Attorney General – arrived at 11:00 A.M.
Ms. Patricia Shaner, Human Resources Manager
Mr. Don Mineer, Local Board Training Coordinator
Mr. John Hendricks, Manager Finance and Accounting
Mr. Sam Meier, Operations IT Manager
Mr. Jon Chase, Manager IT Development
Ms. Lisa Sweeting, Knowledge/Information Manager
Mr. John Briney, Enterprise Systems Architect
Mr. Christian Palmer, Communications Director
Ms. Michelle Pechan, Paralegal
Mr. Stan Hoover, PSPRS Retiree

1. Call to Order, Roll Call, Opening remarks.

*Mr. Bryan Raines
Committee Chairman*

The meeting was called to order at 10:30 A.M. by Chairman Raines.

2. Review, discussion and possible approval of Operations, Governance Policy and Audit Committee Minutes from March 29, 2017.

Mr. Bryan Raines

MOTION:1-4/26/17	At 10:31 A.M.
Motion:	To approve the Operations, Governance Policy and Audit Committee Minutes from March 29, 2017.
Moved by:	Mr. McNeill
Seconded by:	Mr. Scheidt
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

3. Presentation of the Operations Update Report and possible **Recommendations**.

*Mr. Dave DeJonge
Deputy Administrator*

Items listed in this report included updates that the new website is now live, information regarding the Hall case was presented and the space that had been occupied by our tenant is being renovated to our specifications.

4. Presentation of the Month-to-Date Budget Report for FY 2017 and possible **Recommendations**.
Mr. John Hendricks
Manager Finance and Accounting

Vacancy savings continued to grow this month and the budget for the contract staff is increasing. \$480,000 was spent for computer enhancements and the budget forecast for the end of the year is to be in the black.

5. Presentation of the Local Board & Employer Outreach Report and possible **Recommendations**.
Mr. Don Mineer
Local Board Training Coordinator

Visits have been made to Tucson, Flagstaff and Phoenix regarding Tier 2 developments and making sure that changes in the plans are understood. Next week Casa Grande will be visited with the Local Board & Employer Outreach Manager and the Human Resources Manager.

6. Presentation of the Strategic Plan Progress Report and possible **Recommendations**.
Mr. John Briney
Enterprise Systems Architect

The executive staff prioritized the categories of opportunities and threats as part of the Strategic Plan. Work is being conducted to replace institutional knowledge so that it is not lost due to retirements, work progress is being improved and strategies are being discussed in order to implement tasks of the Strategic Plan. Discussions are being held as to how to improve efficiencies due to software improvements in processing retirements.

7. Presentation of the Requests for Local Board Rehearing Report for the current month and possible **Recommendations**.
Ms. Michelle Pechan
Paralegal

There are two outstanding requests for Local Board rehearings.

8. Presentation on PSPRS communication efforts and possible **Recommendations**.
Mr. Christian Palmer
Communications Director

There is a second video regarding Tier 2 Defined Contribution Plan on our new website and a new brochure regarding Tier 2 has been developed.

9. Review, discussion and possible **Action** regarding law firms' billings for legal services performed in March, 2017.
Ivy Voss, Esq.
Assistant Attorney General

MOTION:2-4/26/17	At 10:50 A.M.
Motion:	To approve the monthly payment of the March legal bills in the amount of \$ \$84,706.93.
Moved by:	Mr. Scheidt
Seconded by:	Mr. McNeill
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

10. Review, discussion and possible **Recommendations** on pending and passed legislative actions and potential legislative proposals.

*Mr. Jared A. Smout
Administrator*

The bills that were summarized included HB 2485 – Administration Bill; SB 1063 - Risk Pooling Bill; SB 1442 Corrections Officers – Modifications Bill and SB 1115 - Tier 2 Multiplier Bill.

11. Review, discussion and possible **Recommendations** on compliance and internal audit roles.

*Mr. Jared A. Smout
Mr. Dave DeJonge*

Information regarding model job descriptions for both audit roles and to whom each person would report were discussed. Another discussion involved as to where the responsibility for hiring and performance reviews would be placed.

MOTION:3-4/26/17	At 11:16 A.M.
Motion:	To recommend to the Board of Trustees that the Internal Auditor and the Compliance Officer report to the Administrator as shown in a solid line in the organization chart with an alternate dotted line to the Board for the purpose of performance and hiring.
Moved by:	Mr. McNeill
Seconded by:	Mr. Scheidt
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

12. Review, discussion and possible **Recommendations** with respect to the FY2018 PSPRS Administrative Budget.

Mr. Jared A. Smout

Renewal of contracts was discussed as was the bi-furcation of the position of Local Board Outreach into two positions, one person responsible for local boards and another with the focus of employers. Several retirements are anticipated so there was discussion regarding the need to transfer institutional knowledge and if the position is in IT, then to provide technical knowledge.

MOTION:4-4/26/17	At 11:25 A.M.
Motion:	To approve the Organization Chart, move forward with hiring and adjust dotted lines.
Moved by:	Mr. Scheidt
Seconded by:	Mr. McNeill
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

13. Review, discussion and possible **Recommendations** on Governance Manual updates.

Mr. Dave DeJonge

A description of the Travel Policy was presented as an educational conversation for the members of the committee. The Travel Reimbursement Policy was edited for clarification and additional language was added. The PSPRS DC Committee Charter was edited for additional responsibilities, statutory references were added and some clarifications were added.

MOTION:5-4/26/17	At 11:35 A.M.
Motion:	To recommend to the Board to approve other updates: The PSPRS DC Charter, Travel and Refund. No changes to 5.09 and to approve the travel reimbursement changes.
Moved by:	Mr. McNeill
Seconded by:	Mr. Scheidt
Discussion:	None
In Favor:	Unanimous
Motion:	Passes

14. 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.

No one wished to speak.

15. Schedule future meeting date(s). (Calendared for Wednesday, May 31, 2017)

The next meeting will be held on May 31, 2017 beginning at 10:30 a.m.

16. Adjournment.

The meeting was adjourned at 11:40 P.M.

Mr. Bryan Raines, Trustee, Chairman of the
Operations, Governance Policy and Audit Committee