

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

January 25, 2017

MINUTES

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

Others Present: Mr. Jared Smout, Administrator
Mr. Dave DeJonge, Deputy Administrator
Ms. Ivy Voss, Assistant Attorney General
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. Andrew Fernandez, Member Services Representative

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

*Mr. Bryan Raines
Committee Chairman*

The meeting was called to order at 11:00 A.M.

2. Discussion and possible **Recommendations** regarding Operations, Governance Policy and Audit Committee responsibilities and agenda.

*Mr. Dave DeJonge
Deputy Administrator*

A description was given regarding how the committee works, responsibilities and an overview of the agenda format.

3. Presentation of the Month-to-Date Budget Report for FY2017 and possible **Recommendations**.

*Mr. John Hendricks
Manager Finance and Accounting*

In addition to a description of the budget format, it was stated that we are under budget by \$500,000 due to personnel services that will not be realized; and \$100,000 that will not be used for an employer audit. Most of those savings will likely be used for contract software developers who are rewriting our systems, which is crucial due to pension reform.

4. Presentation of the Local Board & Employer Outreach Report and possible **Recommendations**.

*Mr. Don Mineer
Local Board Training Coordinator*

The outreach program is effective through the use of webinars, local in person meetings, Town Hall meetings and our PSRPS website. New joinder training is being held as new groups join.

5. Presentation of the Strategic Plan Process and possible **Recommendations**.

*Mr. John Briney
Enterprise Systems Architect*

An overview of the process of creating a strategic plan was presented and an explanation of where we currently stand and the timing of plan items. Potentially, there will be new initiatives.

6. Presentation of 2016 Operational Accomplishments Report and possible **Recommendations**.

*Ms. Lisa Sweeting
Continuous Improvement Administrator*

Operational items were discussed including the actuarial audit, PSRPS website redesign, review of the records retention schedule, member services review module, SB 1428 reallocation plan and testing of member services and accounting.

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

*Ms. Michelle Pechan
Paralegal*

An explanation of the report and the role of the PSRPS to request for rehearings was given. There were three rehearings for the month. One item has been resolved, one has been withdrawn and one is being worked on by the local board.

8. Presentation on PSRPS communication efforts.

*Mr. Christian Palmer
Communications Director*

Lists of people for effective contact are maintained, newsletters are sent via e-mail including a list of those who open it. Contact lists are being updated for accuracy. A review of system infrastructure is being conducted.

9. Review, discussion and possible **Action** regarding law firms' billings for legal services performed in November and December, 2016.

*Mr. Jared A. Smout
Administrator*

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| MOTION:1-1/25/17 | At 12:00 P.M. |
| Motion: | Move to approve payment of the current amount of \$233,126.56 for November and December, 2016 law firm billings for legal services provided to the PSRPS. |
| Moved by: | Mr. McNeill |
| Seconded by: | Mr. Scheidt |
| 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

A proposal regarding the EORP plan to correct an issue that applies to disability was discussed. There is a proposed change to the Administrative Bill for tier 1 members to roll DROP into the DC plan and language regarding same following discussion with tax counsel to finalize language with no liability to the Plan. The DC Committee requested that if there is a death prior to the ten year vesting period that it be 100% vested immediately.

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| MOTION:3-1/25/17 | At 12:15 P.M. |
| Motion: | To recommend to the full Board the updated 2017 PSPRS Administrative Bill. |
| Moved by: | Mr. McNeill |
| Seconded by: | Mr. Scheidt |
| Discussion: | None |
| In Favor: | Unanimous |
| Motion: | Passes |

11. Appropriate **Action** on the nomination and election of the Vice Chairman of the Operations, Governance Policy and Audit Committee.

Mr. Bryan Raines

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| MOTION:2-1/25/17 | At 12:05 P.M. |
| Motion: | Move to nominate Mr. Ed McNeill as Vice Chairman of the Operations, Governance Policy and Audit Committee. |
| Moved by: | Mr. Scheidt |
| Seconded by: | Mr. Raines |
| Discussion: | None |
| In Favor: | Unanimous |
| Motion: | Passes |

12. 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 reply to the Call to the Public.

13. Schedule future meeting date(s). (Calendared for Wednesday, March 1, 2017)

The next meeting will be held on Wednesday, March 1, 2017.

14. Adjournment.

The meeting was adjourned at 12:16 P.M.

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