



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, April 13, 2022 @ 10:15 AM
COUNCIL CHAMBERS

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Current Events and Reports
- E. Staff Reports
 - Review FY 22 legal counsel fees
 - Update on Members' Term Renewals
 - HR/Payroll's request for new DROP process
- F. Public Safety Retirement Commission Joint Meeting

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

- 1. Internal Considerations and action pertaining to the review and approval of the February 23, 2022 Joint Public Safety Retirement Commissions – Fire & Police Human Resources

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- 2. Internal Discussion and possible action to review and approve Joint (Fire & Police) Board Bylaws as drafted and recommended by Legal Counsel Human Resources

- G. Other Business and Future Agenda Items
- H. Executive Session

For information purposes: Upon a public majority vote of a quorum of the Public Safety Personnel Retirement Commission ("Commission"), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2)); or discussion or consultation for legal advice with the Commission's attorneys (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: March 31, 2022 at 9:30 AM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: April 13, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Review FY 22 legal counsel fees

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

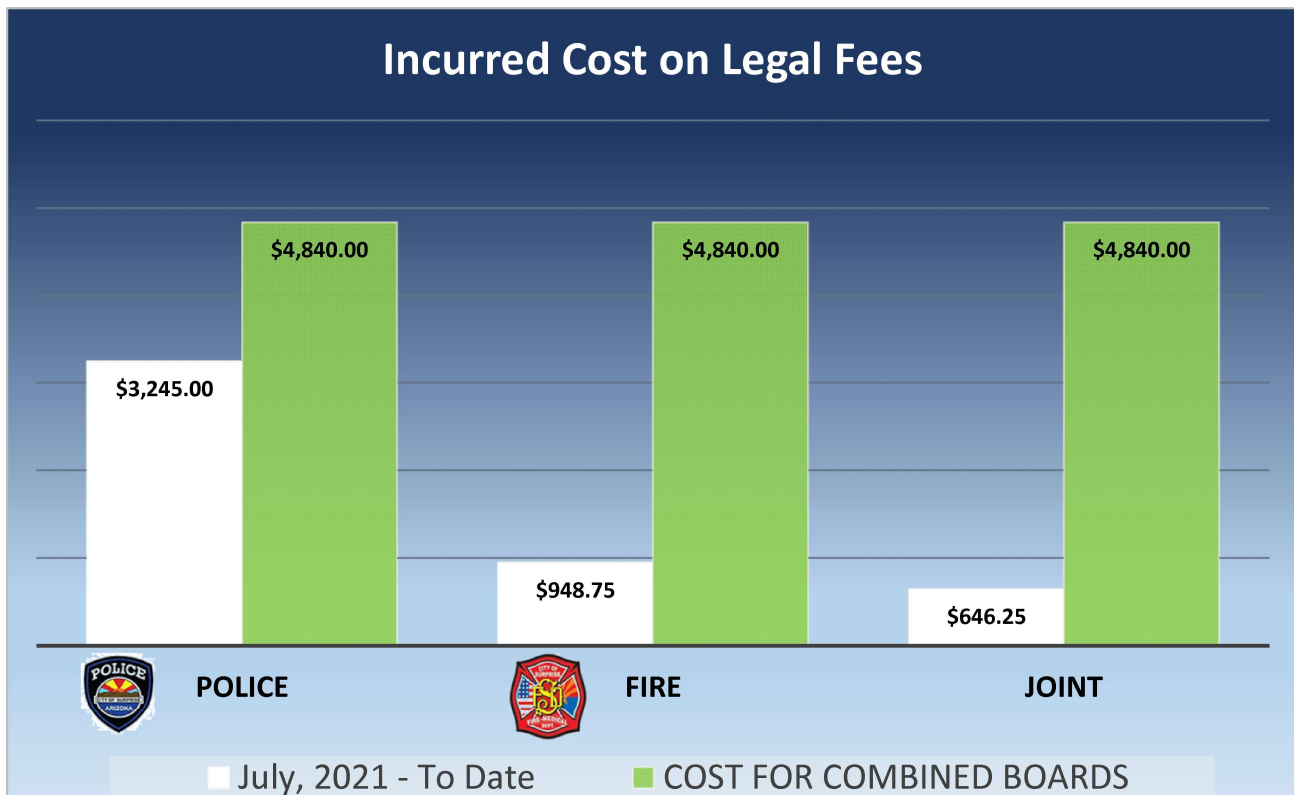
1. Legal Fees
-

Public Safety Retirement Commission

BUDGET - Legal Counsel Fees

FY 2021 - 2022

BUDGETED AMOUNT	\$25,000.00
PAID INVOICES	
FIRE	\$948.75
POLICE	\$3,245.00
JOINT	\$646.25
COMBINED COST	\$4,840.00



*****OTHER COSTS INCURRED**

POLICE: \$10,775

FIRE: N/A



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: April 13, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Update on Members' Term Renewals

Motion:

Background:

Chandler Brown will not be seeking reappointment. City Clerk's office has advertised open seat vacancy to City of Surprise residents. Official notification was sent out to both the Fire and Police Departments letting contributing public safety employees know that there is a vacancy available to serve on their corresponding PSPRS Board. A tentative timeline of election process is included in the packet for reference.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Fire Notification Timeline
 2. Voting Timeline
-



There is one (1) upcoming vacancy available to serve as a member of the Public Safety Retirement Commission – Fire. Pursuant to A.R.S. § 38-847, a secret ballot election must take place to fill vacancy. Term of office is for a four (4) year appointment.

Fire Captain Christopher “Chris” Preest’s term is scheduled to end effective June 30, 2022.

To learn more about the responsibilities of the Local Board, please visit: <http://www.psprs.com/employers--local-boards/> or ask current Fire Board members.

Please review the proposed timeline for the secret ballot election:

Date(s)	Action	Comments
April 4	Initial notification to contributing PSPRS members about vacancy.	Instructions given for nominations to be submitted by given deadline.
April 29	Nomination forms due.	Employees can nominate themselves and/or others.
May 2	Employees acknowledge nomination by submitting a narrative statement	Deadline to submit statement (50 – 150 words) will be Friday, May 27 at 5:00 p.m.
May 27	Narrative statement due.	Answer: <i>Why should you be part of the PSPRS Board and what sets you apart from other candidates?</i>
May 30 – June 19	Election – Online voting	Online ballot will be distributed to employees on May 30 with instructions to cast their vote by June 19 at midnight.
June 20 – June 21	Vote count	Certification of Board Secretary’s vote count will be conducted by the City Clerk’s office
June 22	Winner announcement	After the winner is notified and verbally accepts appointment of four-year term, the Board Secretary will notify the Fire Department.
July 1	Elected employee starts serving as an official Board Member	Oath of Office by City Clerk’s office



There is one (1) upcoming vacancy available to serve as a member of the Public Safety Retirement Commission – Police. Pursuant to A.R.S. § 38-847, a secret ballot election must take place to fill vacancy. Term of office is for a four (4) year appointment.

Police Lieutenant Ian Murton’s term is scheduled to end effective June 30, 2022.

To learn more about the responsibilities of the Local Board, please visit: <http://www.psprs.com/employers--local-boards/> or ask current Police Board members.

Please review the proposed timeline for the secret ballot election:

Date(s)	Action	Comments
April 4	Initial notification to contributing PSPRS members about vacancy.	Instructions given for nominations to be submitted by given deadline.
April 29	Nomination forms due.	Employees can nominate themselves and/or others.
May 2	Employees acknowledge nomination by submitting a narrative statement	Deadline to submit statement (50 – 150 words) will be Friday, May 27 at 5:00 p.m.
May 27	Narrative statement due.	Answer: <i>Why should you be part of the PSPRS Board and what sets you apart from other candidates?</i>
May 30 – June 19	Election – Online voting	Online ballot will be distributed to employees on May 30 with instructions to cast their vote by June 19 at midnight.
June 20 – June 21	Vote count	Certification of Board Secretary’s vote count will be conducted by the City Clerk’s office
June 22	Winner announcement	After the winner is notified and verbally accepts appointment of four-year term, the Board Secretary will notify the Police Department.
July 1	Elected employee starts serving as an official Board Member	Oath of Office by City Clerk’s office



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: April 13, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

HR/Payroll's request for new DROP process

Motion:

Background:

Due to change in process, we ask for PSPRS Board Members to please remind employees who may come to you inquiring about DROP, to make sure to include HR/Payroll in their official notification to PSPRS so that we can, internally, make sure that both employee/employer contributions stop in time and follow up with PSPRS as needed.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: April 13, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: Yes	Regular: No	Public Hearing: No	Report/Discussion: No
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Agenda Wording:

Considerations and action pertaining to the review and approval of the February 23, 2022 Joint Public Safety Retirement Commissions – Fire & Police

Motion:

I motion to approve the February 23, 2022 Joint Public Safety Retirement Commissions – Fire & Police Meeting Minutes

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Joint (DRAFT) 2.23.22
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**PUBLIC SAFETY RETIREMENT SYSTEM
CITY OF SURPRISE LOCAL FIRE & POLICE BOARDS – JOINT**

Minutes, Wednesday, February 23, 2022
16000 N. Civic Center Plaza, Surprise, Arizona 85374

The following are the minutes from the PSPRS City of Surprise Fire & Police Joint Board Meeting held at 9:30 a.m. Wednesday, February 23, 2022. The meeting was held in City Hall, Council Chambers.

A. Call To Order

Chair Hall called meeting to order at 9:30 a.m.

B. Roll Call:

Skip Hall, Chairperson – Present
Chandler Brown, Citizen Board Member – Present
James Conner, Citizen Board Member - Present
Severin Hall, Police Department – Present
Ian Murton, Police Department – Present
Christopher Preest, Fire Department – Present
Ricardo Valdez, Fire Department – Present

In attendance:

Cynthia “Cindy” Kelley, Board Attorney
Ariana Reyna, PSPRS Board Secretary

C. Pledge of Allegiance – Completed

D. Current Events Reports – None

E. Staff Reports

Review FY 22 legal counsel fees

Members’ Terms Expiration – Ariana Reyna informed Board Members of the upcoming expiration terms effective June 30, 2022: Chandler Brown, Ian Murton, and Christopher Preest. Ariana Reyna asked to be informed if any of the members did not wish to be considered for reappointment.

F. Call to the Public – None

Consent Agenda:

- 1. Considerations and action pertaining to the review and approval of the December 15, 2021 Joint Public Safety Retirement Commissions - Fire & Police Meeting Minutes - APPROVED**

Motion to Approve: James Conner

Second: Chandler Brown

Opposed: None



**PUBLIC SAFETY RETIREMENT SYSTEM
CITY OF SURPRISE LOCAL FIRE & POLICE BOARDS – JOINT**

Minutes, Wednesday, February 23, 2022
16000 N. Civic Center Plaza, Surprise, Arizona 85374

Regular Agenda:

2. Discussion of 2022 Annual PSPRS Conference and review of other PSPRS related topics following the PSPRS Board Secretaries Luncheon – Information Only

Ariana Reyna stated that during the Joint Board Meeting of 12/15/21, Police Board Member Ian Murton requested for the questions included in the PSPRS Board Secretaries Luncheon to be answered and put as an agenda item for discussion during the first meeting held in 2022. Ariana Reyna stated that she had included a list of the questions with responses discussed for the Board's review. Chair Hall asked if the Board Secretary envisioned doing these gatherings on a quarterly basis to which Ariana Reyna responded that there was interest expressed by other municipalities to continue doing these twice per year. General discussion ensued in regards to the 2022 PSPRS Annual Conference.

Rick Valdez inquired on the proposed legislation regarding members who have entered DROP and whether or not this will be extended to members who are already active in DROP. Cindy Kelley stated that as soon as a final decision is made, she will provide an update to the Board.

Ian Murton inquired on the processing of disability cases and whether or not PSPRS had provided more guidance to the Boards on this subject. Cindy Kelley stated that the state leaves it up to the Boards and they just provide a general overview in the model procedures. For example, the Police Board took it upon itself to add the presumption of twelve months to consider a disability as temporary and this type of example is acceptable and in compliance with model procedures as set forth by the state. Additional discussion ensued on disability retirement processing and use of psychiatrists vs. psychologists.

3. Discussion and possible action to incorporate House Bill 2381's statutory changes and establish Model Uniform Rules as adopted by PSPRS Board of Trustees - APPROVED

Ariana Reyna stated that PSPRS updated its public safety and corrected Model Uniform Rules to incorporate House Bill 2381's statutory changes and feedback from stakeholders. The new law requires that local boards establish and adopt updated rules for adjudicating claims and disputes. At a minimum, Boards must incorporate the Model Uniform Rules as these have been adopted by the Board of Trustees.

Cindy Kelley addressed the Board and stated that she compared individual Board bylaws to the adopted model rules. Cindy Kelley further explained that not only were

new sections added but there were also sections that were removed as in stipulations regarding survivor benefits. Christopher Preest asked specific questions on distribution of survivor benefits and asked how a potential benefit would be distributed if there was no spouse on record to which Cindy Kelley answered she would need to research as she has not had a previous instance where there was no spouse. Cindy Kelley offered insight on other benefits available to surviving children outside of PSPRS.

Board Members reviewed and discussed the Public Safety Personnel Retirement System Revised Model Uniform Rules of Local Board Procedure created pursuant to A.R.S. § 38-847(F).

Motion to Approve: Ian Murton

Second: Chandler Brown

Opposed: None

G. Other Business and Future Agenda Items – Review of combined Fire and Police bylaws.

H. Executive Session

I. Adjournment

Motion to adjourn at 10:04 a.m. – APPROVED

Motion: James Conner .

Second: Ian Murton

Opposed: None

Meeting Minutes Approval:

Skip Hall, Chair

CERTIFICATION:

I, Ariana Reyna, Human Resources Business Partner and PSPRS Board Secretary for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are true and correct minutes of the PSPRS Local Fire & Police Boards - Joint Meeting of **Wednesday, February 23, 2022.**

Ariana Reyna, PSPRS Board Secretary



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: April 13, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

Consent: No Regular: Yes Public Hearing: No Report/Discussion: No

Agenda Wording:

Discussion and possible action to review and approve Joint (Fire & Police) Board Bylaws as drafted and recommended by Legal Counsel

Motion:

If approved: I motion to approve the combined Joint – Fire and Police Board rules and adopt merged version as recommended by Legal Counsel.

If tabled: I motion to table this item until the request to change/modify the bylaws of _____ is made and reviewed by the Joint Board in a future meeting.

Background:

After the approval to incorporate HB 2381's statutory changes and adoption of the PSPRS Board of Trustees' Model Uniform Rules during the February 23 Joint Board meeting, you, as the Joint Board, entertained the idea to merge both Fire and Police bylaws into one. Attached is the recommended version by Legal Counsel for the Board's review and consideration. Cindy highlighted the section on page 10 where Fire and Police had different languages in their individual bylaws.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. DRAFT Joint Bylaws
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City of Surprise
Public Safety Personnel Retirement System
Local Board Rules
Adopted Pursuant to A.R.S. § 38-847(F)

A. Definitions

1. “A.R.S.” means Arizona Revised Statutes.
2. “Administrator” means the Administrator of the Plan (including any persons authorized by the Administrator to act for the Administrator) acting for the benefit of the Board of Trustees as more particularly described in A.R.S. §38-848(L).
3. “Board of Trustees” has the meaning ascribed to that term in A.R.S. §38-842(8).
4. “Claim” means any request for relief under the Plan involving all questions of eligibility for Membership, Disability, and Killed In the Line of Duty Death Benefits and, which is properly before a Local Board for Decision, pursuant to A.R.S. § 38-847(D). Will include questions of whether benefits are consistent with and allowable under the System, as contemplated by that section. Any opinions rendered by the Local Board on such questions will be considered Decisions as defined in Subsection 6.
5. “Claimant” has the meaning ascribed to that term in A.R.S. § 38-842(11).
6. “Decision” means any orders issued by the Local Board relating to a Claim, including orders denying a request for Rehearing or further relief, submitted not later than 20 days to PSPRS. As required by A.R.S. §38-847(G), a Decision shall contain, at a minimum, (a) the name of the member affected by the Local Board’s action; (b) a description of the action taken; and (c) an explanation of the reasons supporting the Local Board’s action.
7. “Decision on Rehearing” means a Decision issued by the Local Board after a Rehearing.
8. “Employee” has the meaning ascribed to that term in A.R.S. §38-842 (27).
9. “Employer” has the meaning ascribed to that term in A.R.S. § 38-842(28) and means the City of Surprise, Arizona.
10. “Hearing” means the Local Board’s initial public Meeting concerning a Claim, which is conducted in accordance with the Open Meeting Law and these Rules.
11. “Independent Legal Counsel” means legal counsel who is not an employee of or contracted with the employer or any employee organization, nor is contracted with any member in violation of A.R.S. §38-847(N).

12. “Initial Decision” means the first Decision on a Claim issued by the Local Board.
13. “Killed in the Line of Duty” means the decedent’s death was the direct and proximate result of the performance of the decedent’s public safety duties and does not include suicide in A.R.S. 38-846 (D).
14. “Local Board” means the public body described in A.R.S. §38-847.
15. “Meeting” is a gathering of a quorum of the Local Board to conduct business and to hold Hearings and/or Rehearings, which is conducted in accordance with the Open Meeting Law and these Rules.
16. “Member” has the meaning ascribed to that term in A.R.S. §38-842(31).
17. “Minutes” means the written official record of the proceedings, including the testimony of witnesses.
18. “Notice” means a written Notice of Hearing or Rehearing, as applicable, which includes, at minimum: (i) a statement of the time, place and nature of the Hearing or Rehearing; (ii) a statement of the legal authority and jurisdiction under which the Local Board will be conducting the Hearing or Rehearing; (iii) a reference to the particular section(s) of the Arizona Revised Statutes (and/or any other applicable rules) involved in the particular matter presented for Decision; and (iv) a short and plain statement of the matters asserted by the Claimant or issues to be considered at the Hearing or Rehearing.
19. “Open Meeting Law” is that body of laws described in Title 38, Ch. 3, Article 3.1 of the Arizona Revised Statutes, which requires public bodies, such as the Local Board, to hold its meetings and conduct its activities in public, except in those limited circumstances described in A.R.S. §38-431.03.
20. “Party” or “Parties” means the Claimant, Local Board and Board of Trustees.
21. “Plan” means the Public Safety Personnel Retirement System, as described in A.R.S. §38-841 *et seq.*
22. “Pre-Membership Physical” means a medical examination of an Employee before the Employee joins the Plan, for the purpose of identifying physical or mental conditions or injuries, which existed or occurred prior to the Employee’s date of membership in the Plan, pursuant to A.R.S. §38-859(A)(1).
23. “Presiding Officer” means the Chair, Vice-Chair, in the absence of the Chair, or Acting Chair of the Local Board, who presides over any Meeting, Hearing or Rehearing.

24. “Rehearing” means a public Meeting before the Local Board that is conducted in accordance with the Open Meeting Law and these Rules, to consider a Claimant’s or the Board of Trustee’s request that the Local Board reconsider its Initial Decision, as provided by A.R.S. §38-847(H).
25. “Rules” means these Model Uniform Rules of Local Board Procedure authorized by A.R.S. §38-847(F).
26. “Secretary” means the person so designated and elected pursuant to A.R.S. §38-847(M), who is charged with keeping a record and preparing agendas, Minutes and Decisions of all Hearings and Rehearings of the Local Board. The Board Secretary has the authority to accept service of process for the Local Board.
27. “Subcommittee” or “Working Subcommittee” means a group of no more than two Local Board members appointed by the Board Chair to undertake Local Board business.

B. Purpose and Scope of Procedures

1. Board Responsibility. Pursuant to A.R.S. §38-847(D), the Local Board is responsible for deciding all questions of eligibility for membership, disability, and killed in the line of duty benefits under the Plan. The Board of Trustees cannot pay any benefits under the Plan without the direction and approval of the Local Board.
2. Scope. These Rules govern all Claims before the Local Board for Decision, effective for any Claims brought, and any Hearing and Rehearing held, after the effective date of adoption of these rules by the Local Board.
3. Conflict. These Rules are authorized by A.R.S. §38-847(F) and supplement all authority of the Local Board specified in that statute. Should any of these Rules conflict with any provision of A.R.S. §38-847 or any other Arizona law, the provisions of Arizona law shall control. If PSPRS promulgates revised Model Rules for Local Boards and a conflict exists with these Rules, the revised Model Rules shall prevail.
4. Amendment. These Rules may be amended by a majority vote of the Boards at a public meeting
5. No Legal Advice. These Rules do not constitute legal advice. Local Boards are encouraged to consult with their independent legal counsel to resolve questions of law.

C. Composition of the Board and Conduct of Meetings

1. Composition. The membership of the Local Board is set forth in A.R.S. § 38-847(A). Pursuant to statute, the Local Board is composed of the Mayor of the City

of Surprise or his/her designee, two members elected by secret ballot by members of the Department, and two citizens who are appointed by the Mayor of Surprise with approval of the City Council. In the event of a tied election during the secret ballot election process, there will be subsequent elections until there is a winner.

2. Chair. The provisions for electing a Chair are found in A.R.S. §38-847(A). The Mayor or Mayor's designee shall serve as Chair of the Board. The Board may elect a Vice Chairperson to serve in the absence of the Chairperson. In the absence of the Chairperson or Vice Chairperson, an acting Chairperson will be elected by a majority vote of the Local Board.
3. Secretary. Pursuant to A.R.S. § 38-847(M), the Local Board shall designate a Secretary who may, but need not, be a member of the Local Board. If a vacancy occurs for the Secretary, the Local Board shall designate a new Secretary at the next Local Board meeting after the vacancy occurs. The Secretary shall regularly participate in training provided by the Arizona Public Safety Personnel Retirement System.
4. Quorum. A quorum for the purpose of doing any business by the Local Board will be three (3) members. The Board requires at least one (1) of the employee members of the Department to be present to have a quorum.
5. Agendas. Any item may be placed on the agenda with the consent of two members of the Local Board. Any agenda items must be received by the Board Secretary no later than five (5) business days prior to the meeting in order to be placed on the agenda so in order to meet administrative deadlines for the City Clerk's Office.
6. Meetings, Minutes and Decisions. Meetings are generally held at 9:30 a.m. for the Police Board, 10:00 a.m. for the Fire Board and 10:215 for Joint Meetings on the second Wednesday of the month, but can be held at any time upon the call of the Chair, any two members of the Local Board, or the Secretary of the Local Board, with appropriate notice to the members of the Local Board and the public. The Local Board shall meet at least twice a year.
 - a. Meetings are generally held at 16000 N. Civic Center Plaza, Surprise Arizona 85374, in the Council Chambers.
 - b. The Secretary shall provide an agenda to the Local Board members in advance of any Meeting, describing the business to be addressed at such Meeting. The content of the agenda shall comply with the Open Meeting Law.
 - c. Notice of all Meetings of the Local Board shall be given, and all Meetings and any executive sessions shall be conducted in conformance with the Open Meeting Law.

- d. Provided the quorum is present, a majority vote of Local Board members present and eligible to vote shall govern any action taken.
 - e. Local Board members not present in person may attend by telephone or other electronic means permitting meaningful participation in accordance with the Open Meeting Law.
 - f. The Secretary shall cause appropriate Minutes to be taken of Local Board Meetings, and an electronic recording may be made of Meetings to facilitate preparation of such Minutes.
 - g. The electronic recording shall be maintained in accordance with the City of Surprise's record retention schedule.
 - h. The Secretary shall forward to the Board of Trustees (in care of the Administrator) a copy of each Local Board meeting minutes which include the Decision(s) on a Claim no later than twenty (20) business days after the Local Board takes action on such Claim, pursuant to A.R.S. § 38- 847(G). Decisions shall be sent by certified mail to the Administrator as required by A.R.S. § 38-847(H)(2). As required by A.R.S. § 38-847(G), a Decision shall contain, at minimum: (i) the name of the member affected by the Local Board's action; (ii) a description of the action taken; and (iii) an explanation of the reasons supporting the Local Board's action, and (iv) all documents submitted to the Local Board for the action taken including the reports of a medical board.
 - i. The Secretary shall forward all other Minutes to the Board of Trustees, in care of the Administrator, within twenty (20) days after each Local Board Meeting, and forward all necessary communications to the Board of Trustees, in care of the Administrator, pursuant to A.R.S. § 38-847(M).
 - j. Unless the Claimant is present at a Meeting at which the Local Board announces its Decision on a Claim, at the same time that the Secretary forwards the Decision to the Administrator, the Secretary shall forward the Local Board's Decision to the Claimant via certified mail, pursuant to A.R.S. §38-847(H)(1).
7. Documentation. In a location separate from any Personnel or Department files, the Local Board Secretary shall maintain files for each Claimant, containing public and confidential documents presented to the Local Board.
8. Audit/Compliance. Pursuant to A.R.S. §38-847(R), the Board of Trustees or its designee may conduct an audit to ensure the Local Board is in compliance with statute or the Model Rules of Procedure. If the Local Board is not in compliance with statute or Model Uniform Rules of Local Board Procedure, the Board of Trustees shall notify the Local Board. The Local Board shall have 60 days to take corrective action.

9. Changes/Updates. Within 10 days after the change, the Local Board shall submit the names of the Local Board members and terms, the Local Board Secretary and independent legal counsel to PSPRS.
10. Education/Training. Within 180 days after appointment of election, each Local Board member and Local Board Secretary shall complete Local Board training as prescribed by the Board of Trustees.

D. Pre-Membership Physical

1. Examination. Pursuant to A.R.S. §38-859(A)(1), the Local Board shall contract with a physician or clinic to conduct a Pre-Membership Physical of Employees, for the purpose of identifying physical or mental conditions or injuries, which existed or occurred prior to an Employee's date of membership in the Plan. The physician or clinic conducting a Pre-Membership Physical may be the regular employee or contractee of the City of Surprise.
2. Appointment. The City of Surprise or the Secretary shall coordinate appointments for the Employee's Pre-Membership Physical.
3. Report. A.R.S. §38-859 does not authorize the Local Board or Employers to request personal medical records of individuals gathered, collected or accumulated from Pre-Membership Physical, not request, obtain or possess medical records separate from the Pre-Membership Physical. Statute directs the examining physician to report any existence of a pre-existing medical condition or injury to the Local Board, and for the Local Board secretary to preserve the report documents as a permanent record of the Local Board. The physician or clinic retained to conduct an Employee's Pre-Membership Physical shall provide a written report of the results of the Pre-Membership Physical to the Secretary within 10 days after the examination. The Secretary shall file the report as a permanent record, as required by A.R.S. §38- 859(E).
4. No Pre-Existing Condition. If the physician or clinic's report on an Employee with respect to his pre-membership condition concludes that the Employee has no pre-existing condition, the Secretary shall file the report as a permanent record, as required by A.R.S. §38-859(E) and the employee will receive a copy of his or her pre-employment physical.
5. Finding of Pre-Existing Condition. If the physician or clinic's report on an Employee with respect to his pre-membership condition concludes that the Employee has a pre-existing condition:
 - a. The Secretary shall notify the Employee by certified mail that the physician or clinic has reported that the Employee has a pre-existing condition. The Employee shall have 30 days to submit additional documentation or comments

to the Secretary before the physician or clinic's report is placed on an agenda for the Local Board's consideration.

- b. Reports concerning an Employee's pre-existing condition shall be placed on the Meeting agenda for recognition by the Local Board.
- c. The Secretary shall provide the Local Board with any additional documentation or comments submitted by an Employee regarding a physician or clinic's conclusion that an Employee has a pre-existing condition.
- d. The Local Board shall review the physician or clinic's report and any additional documentation submitted by the Employee at a Meeting. After review of the relevant documents, the Local Board will take any action the Local Board deems necessary and appropriate.
- e. The Secretary shall file all reports concerning an Employee's pre-existing condition(s) as a permanent record, as required by A.R.S. §38-859(E), along with any additional documentation and comments provided by the Employee, and appropriate records of any actions or determinations by the Local Board with respect to the same. In the event a Member whose Pre-Membership Physical revealed a pre-existing condition applies for an accidental, catastrophic, ordinary, or temporary disability pension, all such documentation related to the Member's pre-existing condition will be presented to the Local Board. If the Local Board determines that a Member's disability resulted from a physical or mental condition or injury, which existed or occurred prior to the Member's date of membership in the Plan, the Member shall not qualify for an accidental, catastrophic, ordinary, or temporary disability pension.

E. Initial Decision

1. Submitting Claims. A Claimant may request that the Local Board issue an Initial Decision by presenting an application for membership in the Plan, disability and in the line of duty death benefits to the Secretary, using the prescribed Plan forms. On presenting an application to the Secretary, using the prescribed Plan forms, per A.R.S. § 38-847.03, the Secretary shall submit within 10 days a copy of the application being presented for Decision. All Claims are subject to this Section concerning an Initial Decision. However, more detailed procedures for certain Claims, specifically disability benefit applications and reexamination of disability recipients, are set forth in Sections F and H of these Rules. All claims shall be placed on the agenda for consideration by the Local Board, after 7 appropriate Notice to the Claimant, unless considered a claim under rule 3 of this section.
2. Content of Claims. If desired, a Claimant may supplement the application for benefits by submitting a letter to the Secretary. In order for any supplemental letter to be considered by the Local Board, such letter shall set forth: (i) the name and address of the Claimant; (ii) the name and address of the Claimant's attorney, if

applicable; (iii) a brief statement of the facts forming the basis of the Claim, including any evidence relevant to the Local Board's Decision on the Claim; and (iv) the precise relief sought by the Claimant from the Local Board.

3. Consent Agenda. A Local Board may authorize its Secretary to determine whether a Claim is to be treated by the Local Board as a "Consent Agenda" item. Ordinarily, the Secretary does not provide Notice of a Hearing to Claimants for Claims on the Consent Agenda because the Local Board generally approves Consent Agenda items summarily. If a Claim on the Consent Agenda warrants discussion by the Local Board, the Claim may be deferred to a future meeting in order to provide Notice to the Claimant.
4. Deadline for Scheduling a Hearing on Routine and Non-Routine Claims.
 - a. Hearings are held at Meetings as provided by Section C (5) of these Rules.
 - b. Unless the Claimant and all other parties to the Claim otherwise agree, the Local Board shall commence a Hearing on a Routine or Non-Routine Claim within ninety (90) days of its receipt of a Claim, pursuant to A.R.S. §38-847(D)(3).
 - c. If the Local Board does not commence a Hearing on a Claim within ninety (90) days of its receipt of the Claim:
 - i. The Claimant shall notify the Administrator and Secretary by letter sent by certified mail that the Local Board has failed to convene a Hearing within ninety (90) days of the filing of a Claim.
 - ii. As provided by A.R.S. §38-847(D)(3), the relief demanded by the Claimant is deemed granted and approved by the Local Board.
 - iii. As provided in A.R.S. §38-847(H), the Board of Trustees may require a Rehearing within sixty (60) days after receiving notice from the Claimant by letter sent by certified mail that the Local Board has failed to convene a Hearing within ninety (90) days of the filing of a Claim. However, if the relief deemed granted and approved by the Local Board violates the Internal Revenue Code or threatens to jeopardize the Plan's status as a qualified plan under the Internal Revenue Code, no limitation period for the Board of Trustees to seek a Rehearing applies.
5. Issuance of Decision. When a Hearing is held within the deadlines set forth in Section E(5) of these Rules, the Secretary shall forward the Decision, Minutes and other necessary communications, as provided in Section C(5)(f)-(j) of these Rules.
6. Finality of Decision. Pursuant to A.R.S. §38-847, any Decision that is not

inconsistent with the provisions of the Plan and the Internal Revenue Code shall be final, conclusive and binding on the Claimant and the Plan, unless a timely application for a rehearing is filed as provided in Section H of these Rules, or an appeal is filed. However, the Board of Trustees may not implement and comply with any Decision that does not comply with the Internal Revenue Code or that threatens to jeopardize the Plan's status as a qualified plan under the Internal Revenue Code, and under such circumstances, no limitation period for the Board of Trustees to seek a rehearing of a Decision applies. A final decision may be appealed to Maricopa County Superior Court for the State of Arizona within the periods specified in, and the manner provided by A.R.S. §12-901 *et seq.* and the rules adopted by the Maricopa County Superior and Appellate Courts of the State of Arizona.

F. Disability Benefit Applications

1. Disability Application. Upon presentation of a properly completed application for any of the disability pensions authorized by law, the Secretary will determine whether the Claimant has provided complete documentation supporting the Claim referenced in the application. If the information is incomplete, the Secretary shall request that the Claimant provide additional documentation and may assist the Claimant in identifying deficiencies or incomplete items in the application. The Secretary shall also obtain from the City of Surprise any documentation contained in workers' compensation records. A confidential packet of medical information on the Claimant shall be prepared for distribution to Local Board members. When the Claimant's application is complete, the Claim shall be placed, as a separate item, on the agenda for a Meeting, pursuant to Section E(5) of these Rules. Pursuant to A.R.S. §38-847.03, within 10 days after the local board receives an application for disability or in the line of duty death benefits, the local board shall submit a copy of the application to PSPRS.
2. Initial Hearing. At the initial Hearing on a Claim for disability benefits, the Local Board will determine whether the medical and other documentation submitted is sufficient for the Local Board to conclude that the statutory prerequisites are satisfied by the Claimant. If the statutory prerequisites are satisfied, pursuant to A.R.S. §38-859(A), the Local Board shall direct that a medical board be appointed to conduct an examination of the Claimant and to report to the Local Board the results of that examination. If the statutory prerequisites are not satisfied, the Local Board may deny the Claim based on a lack of evidence, either medical or otherwise, such as the Claimant's continued work status or the Claimant's performance of a reasonable range of duties. In the alternative, the Local Board may continue the Hearing on the matter to a date and time when any additional documentation requested by the Board is available.
3. Independent Medical Board. Pursuant to A.R.S. §38-859(B), medical boards appointed pursuant to A.R.S. §38-859(A)(2)-(5) shall be composed of a designated physician or a clinic other than a regular employee or contractee of the City of

Surprise.

4. Mental Examinations. In the event of a disability application for a mental condition, the medical board will consist of a doctor of medicine who is a psychiatrist or has a specialty in psychiatry. If the psychiatrist is unable to perform psychological testing required by the Board as part of his/her examination, the Board shall appoint a psychologist to conduct those tests which will be provided to the psychiatrist for review prior to issuing a report containing his/her conclusions to the Local Board.

When a member submits a disability application for a mental health condition, if the applicant has not been undergoing treatment for at least 12 months the Board will presume, subject to rebuttal, that the condition is temporary.

5. Prompt Hearing. If a medical board is appointed, the Secretary shall reconvene the Hearing at the first feasible Meeting after the Local Board members' receipt of the medical board's report, unless the Claimant requests in writing otherwise.
6. Disability Findings. Pursuant to A.R.S. §38-859(C), a finding of disability shall be based on medical evidence provided by the medical board appointed by the Local Board. The Local Board shall resolve material conflicts in the medical evidence. If required, the Local Board may employ other physicians or clinics to report on special cases. With the approval of the Local Board, a physician or clinic employed by the Local Board may employ occupational specialists to assist the physician or clinic in rendering an opinion.
7. Approval of Disability Claim. If a Claim for disability benefits is approved by the Local Board, the Secretary will obtain Employer certification of the Claimant's employment termination date and indicate the determination of the Board on the disability pension on proscribed Plan forms. If the Board Secretary cannot obtain certification of the termination of the Claimant's employment within forty-five (45) days after the Local Board's approval, the Claimant's application for disability benefits will be considered withdrawn. Until such time as the Claimant has terminated employment with the City of Surprise, the Local Board shall not consider any further Claim by the Claimant for disability benefits.
8. Denial of Disability Claim. If a Claim for disability benefits is denied by the Local Board, and the Claimant is not present at the Meeting, the Secretary will notify the Claimant in writing by certified mail of the Decision of the Board, the reasons for the Decision, and the Claimant's rights to a Rehearing.

G. Killed in the Line of Duty Death Survivor Benefit Applications

1. Application. Upon presentation of a properly completed Claim for Killed in the Line of Duty survivor benefit authorized by law, the Secretary will determine whether the Claimant has provided complete documentation supporting the Claim.

If the information is incomplete, the Secretary shall request that the Claimant provide additional documentation and may assist the Claimant in identifying deficiencies or incomplete items in the application. The Secretary shall also obtain from the Employer any documentation associated with the Claim. A confidential packet of medical information on the Claimant shall be prepared for distribution to Local Board members, if warranted. When the Claimant's application is complete, the Claim shall be placed, as a separate item, on the agenda for a Meeting, pursuant to Section E of these Rules.

2. Initial Hearing. At the initial Hearing, the Local Board will determine whether the underlying facts, medical and other documentation submitted is sufficient for the Local Board to conclude that the statutory provisions outlined in A.R.S. § 38-846(D) are satisfied by the Claimant. If the statutory provisions are not satisfied, the Local Board may deny the Claim based on a lack of evidence, either medical or otherwise. In the alternative, the Local Board may continue the Hearing on the matter to a date and time when any additional documentation requested by the Board is available.
3. Decision of Claim. Once Decision has been rendered by the Local Board, the Secretary will submit Decision pursuant to Section C. If a Claim is denied by the Local Board, and the Claimant is not present at the Meeting, the Secretary will notify the Claimant in writing by certified mail of the Decision of the Board, the reasons for the Decision, and the Claimant's rights to a Rehearing.

H. Reexamination of Disability Recipients

1. Catastrophic Disability Benefits Pursuant to A.R.S. § 38-844(F)
 - a. Sixty (60) months after approval of a Catastrophic Disability, the Local Board must undertake a re-evaluation of a Member receiving catastrophic disability benefits to determine whether the Member remains qualified for such benefits, as specified in A.R.S. §38-844(F).
 - b. After the initial sixty (60) month review, the Local Board is empowered to undertake an annual reevaluation of Members receiving catastrophic disability benefits, who, had they remained in employment, would not have attained 25 years of service.
 - c. On an on-going basis, the Secretary will prepare a list of Members receiving catastrophic disability benefits who may be required to undergo an annual reevaluation pursuant to Section G(1)(b) of these Rules.
 - d. At the direction of the Chair, a Subcommittee of the two elected members of the Local Board shall review the list of Members prepared pursuant to Section H(1)(c), and report the Subcommittee's recommendations regarding medical reevaluation of such Members to the Local Board.

- e. The Secretary shall place the issue of re-examination of a Member receiving catastrophic disability benefits on an appropriate Meeting agenda as a separate item.
- 2. Accidental and Ordinary Disability Benefits Pursuant to A.R.S. § 38-844(E).
 - a. In its discretion, the Local Board may require Members receiving accidental or ordinary disability benefits to undergo an annual medical examination to determine whether they are still disabled and therefore, qualified for continued disability benefits.
 - b. On an on-going basis, the Secretary will prepare a list of Members receiving accidental and ordinary disability benefits who may be required to undergo an annual medical reevaluation pursuant to Section H(2)(a) of these Rules.
 - c. At the direction of the Chair, a Subcommittee of the two elected Members of the Local Board shall review the list of Members prepared pursuant to Section H(2)(b), and report the Subcommittee's recommendations regarding medical reevaluation of such Members to the Local Board.
- 3. Medical Boards Appointed Pursuant to A.R.S. § 38-859.
 - a. The Local Board shall appoint a medical board to examine any Member required to obtain, or selected for, reevaluation pursuant to Sections H(1), (2) of these Rules. If the Member refuses to submit to the medical board reevaluation, the Member's disability shall be considered to have ceased and the Member's disability pension terminated.
 - b. A formal report of the medical board on the results of the reevaluations referenced in Section H(3)(a) above shall be submitted to the Local Board. The Local Board shall review any such report at the first scheduled Meeting after receipt of the report, and shall take any action warranted, as permitted by the relevant statutes.

I. Rehearings

- 1. Application for Rehearing.
 - a. A Claimant's application for Rehearing must be filed within sixty (60) days after the Claimant receives notification of the Initial Decision by email or certified mail, by attending the Meeting at which the Initial Decision is rendered, or by receiving benefits from the Plan pursuant to the Initial Decision, whichever occurs first.
 - b. The Board of Trustee's application for Rehearing must be filed within

sixty (60) days after the Board of Trustees receives a copy of the Initial Decision by certified mail.

2. Rehearings Granted. The Local Board will conduct a Rehearing of any matter upon proper and timely application by a Claimant or by the requirement of the Board of Trustees, pursuant to A.R.S. §38-847(H).
3. Preparation of Preliminary Record. Upon receipt of a proper and timely application for Rehearing, the Secretary shall prepare a packet consisting of all documents and other tangible items of evidence made available to the Local Board with respect to the underlying issues. The Secretary may obtain a written transcript of any previous proceedings of the Local Board in connection with the matter, for inclusion in such packet. The Rehearing packet shall be made available to Local Board members and shall be provided to all Parties to the Rehearing. This packet of materials shall constitute the preliminary record for the Rehearing.
4. Scheduling of Rehearing. When the preliminary record is complete, the Secretary will schedule the Rehearing for the next scheduled Meeting or for such other date and time as may be determined but no later than 90 (ninety) days after receipt of either the Claimant's or the Board of Trustees' application/requirement for Rehearing. Rehearings are not subject to the time limitations set forth in Section E(5) of these Rules.
5. Local Board Action on Rehearing. At or after the conclusion of the Rehearing, the Local Board may vote to uphold, rescind or modify its Initial Decision.
6. Issuance of Decision on Rehearing. When a Rehearing is held, the Secretary shall forward the Decision on Rehearing, Minutes of Rehearing and other necessary communications, as provided in Section C(5)(f)-(j) of these Rules.
7. Finality. Pursuant to A.R.S. §38-847, any Decision on Rehearing that is not inconsistent with the provisions of the Plan and the Internal Revenue Code shall be final, conclusive and binding on the Claimant and the Plan, unless a timely appeal is filed. However, the Board of Trustees may not implement and comply with any Decision on Rehearing that does not comply with the Internal Revenue Code or that threatens to jeopardize the Plan's status as a qualified plan under the Internal Revenue Code. A final Decision on Rehearing may be appealed to the Maricopa County Superior Court for the State of Arizona within the periods specified in, and the manner provided by Arizona Revised Statutes A.R.S. §12-901 *et seq.* and the rules adopted by the Maricopa County Superior and Appellate Courts of the State of Arizona.

J. General Provisions Applicable to All Hearings and Rehearings

1. Review of Medical Records. The Local Board shall review and discuss any confidential medical records in executive session only, unless the Claimant or

Member waives the confidentiality requirement with respect to any confidential medical records by completing a confidentiality waiver.

2. Exclusion of Evidence. The Presiding Officer may preclude the presentation of argumentative, repetitious or irrelevant facts or questioning in any proceeding on a Claim.
3. Informal Proceedings. All Hearings and Rehearings shall be conducted in an informal manner and without adherence to the rules of procedure or evidence required in judicial proceedings. The manner of conducting the Hearing or Rehearing, rulings on evidentiary or procedural objections, and the failure to adhere to rules of procedure or evidence required in judicial proceedings shall not be grounds for reversing a Decision of the Local Board, provided substantial evidence supports such order or Decision.
4. Notice of the Truth of Widely-Known and Accepted Facts. The Presiding Officer may take notice of the truth of certain widely known and accepted facts, including generally recognized technical, statistical, actuarial or scientific facts within the Local Board's specialized knowledge. Parties shall be notified, either before or during the Hearing or Rehearing, of any widely known and generally accepted facts noticed as true, including any staff memoranda or data. Parties shall be afforded an opportunity to contest any material so noticed. The Local Board's experience, technical competence and specialized knowledge may be utilized in its evaluation of all evidence. The Local Board shall be entitled to consider and rely on as true information furnished by the Employer, Administrator, the Local Board's independent legal counsel or the Plan's actuary.
5. Failure to Appear at Hearing. In the event a Claimant (and the Claimant's counsel, if any) fails to appear at a duly noticed Hearing or Rehearing, in its discretion, the Local Board may enter a Decision by default or vacate the Hearing or Rehearing. If a witness fails to appear at a duly noticed Hearing or Rehearing, in his discretion, the Presiding Officer may exclude the witness testimony or reschedule the Hearing or Rehearing.
6. Limitation of Issues. All Hearings and Rehearings shall be limited to matters referenced in the Claim and any request for Rehearing filed by any Party.
7. Record of Proceedings. All Hearings and Rehearings shall be recorded by electronic means and at the Local Board's expense. A copy of the recorded Hearing or Rehearing will be provided to the Claimant and all other interested Parties upon request. Parties are responsible for obtaining their own transcription of a recorded Hearing or Rehearing, although a Local Board may provide such a transcription in its discretion. In addition to any electronic recording of the proceedings, the Local Board shall include all relevant written records as part of the official record of the Hearing or Rehearing.

8. Evidence on Claims. The Claimant and Administrator shall be afforded equal time to state their positions.
9. Subpoenas and Depositions. To facilitate the collection and presentation of evidence with respect to any matter before the Local Board, the Presiding Officer may authorize subpoenas and depositions of witnesses.
10. Consultation among Members. The Presiding Officer may consult on the record with the other members of the Local Board. The Local Board may consult in executive session with the Local Board's legal counsel so long as all requirements of the Open Meeting Law are satisfied. The Local Board may also go into executive session for any lawful reason, including the need to preserve the confidentiality of medical information. However, all Decisions of the Local Board shall be made in open, public session of the Local Board.
11. Submission of Evidence. The Claimant must submit to the Secretary within ten (10) working days of the Hearing or Rehearing any documents the Claimant wishes to introduce into the record, including doctor reports and other written evidence. Documents received by the Secretary less than ten (10) working days before a Hearing or Rehearing may cause a delay in the Hearing or Rehearing. Information and documents presented on the date of the Hearing or Rehearing will be reason for the Presiding Officer to call for a motion to continue the Hearing or Rehearing to a later date.
12. Bifurcation of Issues/Hearing. In connection with any Claim, the Presiding Officer is empowered to bifurcate (*i.e.*, separate into two or more) issues presented to the Local Board for resolution, or set multiple Hearings or Rehearings in a single case.
13. Public Participation. The Open Meeting Law governs public participation in Hearings and Rehearings.
14. No Rehearing on Remand. A Hearing before the Local Board on a matter remanded from the Maricopa County Superior Court is not subject to a Rehearing before the Local Board. However, the Local Board may consider new evidence or review items remanded by the Maricopa County Superior Court.

The undersigned Chair and Secretary of the City of Surprise Local Board certify that the foregoing Rules were duly adopted by the Board at a meeting duly called and held on the date specified below.

Chair

Secretary

Dated

Dated

DRAFT