



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Wednesday, July 20, 2022 @ 10:00 AM
COUNCIL CHAMBERS

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Current Events and Reports
- E. Staff Reports

Welcome new and re-elected PSPRS Board Members.

Review FY 22 legal counsel fees. New template for FY 23.

- 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 April 13, 2022 Public Safety Retirement Commission – Joint Board Meeting Minutes | Human Resources |
|----|----------|---|-----------------|

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|----|----------|--|-----------------|
| 2. | Internal | Considerations and discussion pertaining to Senate Bill 1268 as presented 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

POSTED: Wednesday, July 13, 2022 @ 10:45 a.m.

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: July 20, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

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

Agenda Wording:

Welcome new and re-elected PSPRS Board Members.

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: July 20, 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. New template for FY 23.

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: July 20, 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 April 13, 2022 Public Safety Retirement Commission – Joint Board Meeting Minutes

Motion:

I motion to approve the April 13, 2022 Public Safety Retirement Commission – Joint Board Meeting Minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. Joint DRAFT Minutes 4.13.22
-



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

Minutes, Wednesday, April 13, 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 10:15 a.m. Wednesday, April 13, 2022. The meeting was held in City Hall, Council Chambers.

A. Call to Order

Chair Hall called meeting to order at 10:16 a.m.

B. Roll Call:

Skip Hall, Chairperson – Present
Chandler Brown, Citizen Board Member – Present *(telephonically)*
James Conner, Citizen Board Member - Present
Severin Hall, Police Department – Present
Ian Murton, Police Department – Absent *(excused)*
Christopher Preest, Fire Department – Present *(telephonically)*
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

Update on Members’ Term Renewals – Ariana Reyna notified the Board that citizen Board Member Chandler Brown will not be seeking reappointment. The City Clerk’s office has advertised open seat vacancy to City of Surprise residents. In addition, 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 was included in the packet for reference.

HR/Payroll’s request for new DROP process - Due to change in process, Ariana Reyna asked for PSPRS Board Members to please remind employees who may come to them inquiring about DROP or retirement, to make sure to include HR/Payroll in their official notification to PSPRS so that HR/Payroll can, internally, make sure that both employee/employer contributions stop on time.

F. Call to the Public – None



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

Minutes, Wednesday, April 13, 2022
16000 N. Civic Center Plaza, Surprise, Arizona 85374

Consent Agenda:

- 1. Considerations and action pertaining to the review and approval of the February 23, 2022 Joint Public Safety Retirement Commissions - Fire & Police Meeting Minutes - APPROVED**

Motion to Approve: James Conner

Second: Chandler Brown

Opposed: None

Regular Agenda:

- 2. Discussion and possible action to review and approve Joint (Fire & Police) Board Bylaws as drafted and recommended by Legal Counsel – APPROVED AMENDED VERSION**

Ariana Reyna notified the Board that 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 and she also merged a section talking about non-routine claims. Cindy Kelley mentioned other changes that needed to be made for an amended version to be approved. Cindy Kelley specified that the Fire Board needed to consider psychologist testing under the disability claims listed in bylaws as well as consider if they would be ok with the presumption that a member needed to undergo treatment for at least 12 months before the Board would consider a case for disability benefits. Christopher Preest mentioned that he read through recommendations and he accepted the changes as listed to which Ricardo Valdez concurred.

Motion to Approve: Chandler Brown

Second: James Conner

Opposed: None

G. Other Business and Future Agenda Items – None

H. Executive Session

I. Adjournment

Motion to adjourn at 10:26 a.m. – APPROVED



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

Minutes, Wednesday, April 13, 2022
16000 N. Civic Center Plaza, Surprise, Arizona 85374

Motion: Severin Hall
Second: Ricardo Valdez
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, April 13, 2022.**

Ariana Reyna, PSPRS Board Secretary



CITY OF SURPRISE
Public Safety Personnel Retirement System - Joint
Meeting

Council Meeting Date: July 20, 2022
Submitting Department: Human Resources
Staff Recommendations:

Contact Person:
District: Internal

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

Agenda Wording:

Considerations and discussion pertaining to Senate Bill 1268 as presented by Legal Counsel

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. SB1268H
-

House Engrossed Senate Bill
PSPRS; deferred retirement option plan

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SENATE BILL 1268

AN ACT

AMENDING SECTIONS 38-844.03 AND 38-844.05, ARIZONA REVISED STATUTES;
AMENDING TITLE 38, CHAPTER 5, ARTICLE 4, ARIZONA REVISED STATUTES, BY
ADDING SECTION 38-844.10; REPEALING SECTION 38-844.10, ARIZONA REVISED
STATUTES; RELATING TO RETIREMENT SYSTEMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-844.03, Arizona Revised Statutes, is amended
3 to read:

4 38-844.03. Eligibility; participation

5 A. Any member who is eligible for a normal pension pursuant to
6 section 38-844, subsection A, who becomes a member of the system before
7 January 1, 2012 and who has at least twenty years of credited service is
8 eligible to participate FOR NOT MORE THAN SIXTY CONSECUTIVE MONTHS in the
9 deferred retirement option plan. In addition, any member who is subject
10 to section 38-858, subsection C is eligible to participate FOR NOT MORE
11 THAN SIXTY CONSECUTIVE MONTHS in the deferred retirement option plan
12 retroactive to the member's twentieth year of credited service or on the
13 day before the member began military service, whichever is later, if the
14 member makes the election pursuant to this section on or before resuming
15 employment with the member's employer. ANY MEMBER WHO IS ELIGIBLE FOR A
16 NORMAL PENSION PURSUANT TO SECTION 38-844, SUBSECTION A, WHO BECOMES A
17 MEMBER OF THE SYSTEM BEFORE JANUARY 1, 2012, WHO IS AT LEAST FIFTY-ONE
18 YEARS OF AGE AND WHO HAS AT LEAST TWENTY-FOUR AND ONE-HALF YEARS OF
19 CREDITED SERVICE IS ELIGIBLE TO PARTICIPATE FOR NOT MORE THAN EIGHTY-FOUR
20 CONSECUTIVE MONTHS IN THE DEFERRED RETIREMENT OPTION PLAN.

21 B. A member who elects to participate in the deferred retirement
22 option plan shall voluntarily and irrevocably:

23 1. Designate a period of participation that is not more than sixty
24 consecutive months OR EIGHTY-FOUR CONSECUTIVE MONTHS, AS APPLICABLE
25 PURSUANT TO SUBSECTION A OF THIS SECTION.

26 2. Beginning on the date the member elects to participate in the
27 deferred retirement option plan, cease to accrue benefits under any other
28 provision of this article. The member's effective date of participation
29 is the first day of the month following the date the member elects to
30 participate.

31 3. Have deferred retirement option plan benefits credited to a
32 deferred retirement option plan participation account pursuant to section
33 38-844.05.

34 4. Receive benefits from the system on termination of employment at
35 the same time and in the same manner as otherwise prescribed in this
36 article.

37 5. Agree to terminate employment on completion of the deferred
38 retirement option plan participation period designated by the member on
39 the appropriate deferred retirement option plan participation form.

40 C. If a member fails to terminate employment on completion of the
41 designated deferred retirement option plan participation period:

42 1. The member is not entitled to the interest accumulation on the
43 deferred retirement option plan participation account.

44 2. The deferred retirement option plan participation account shall
45 not be credited with the monthly amount prescribed in section 38-844.05,

1 subsection C, paragraph 1 and that amount shall not be paid directly to
2 the member.

3 3. The payment prescribed in section 38-844.08, subsection A,
4 paragraph 1 shall not be paid until the member terminates employment and
5 is payable at the same time as the pension amount is paid on retirement.

6 4. The member does not acquire any further credited service in the
7 system.

8 Sec. 2. Section 38-844.05, Arizona Revised Statutes, is amended to
9 read:

10 38-844.05. Deferred retirement option benefits and
11 participation accounts

12 A. A deferred retirement option plan participation account is an
13 account established within the system on behalf of each deferred
14 retirement option plan participant. All benefits accrued pursuant to this
15 article shall be accounted for in the deferred retirement option plan
16 participation account. A deferred retirement option plan participant does
17 not have a claim on the assets of the system with respect to the member's
18 deferred retirement option plan participation account and assets shall not
19 be set aside for any deferred retirement option plan participant that are
20 separate from all other system assets.

21 B. All amounts credited to a member's deferred retirement option
22 plan participation account are fully vested.

23 C. A member's deferred retirement option plan participation account
24 shall be credited with the following:

25 1. An amount, credited monthly, that is computed in the same manner
26 as a normal retirement benefit using the factors of credited service and
27 average monthly benefit compensation in effect on the date of deferred
28 retirement option plan participation.

29 2. FOR THE FIRST SIXTY MONTHS, an amount, credited monthly, that
30 represents interest on the amount credited pursuant to paragraph 1 of this
31 subsection at a rate equal to the assumed rate of return determined by the
32 board.

33 D. BEGINNING ON OR BEFORE JANUARY 1, 2023, AT THE END OF THE FIRST
34 SIXTY-MONTH PERIOD, FOR A MEMBER WHO EXTENDED THE MEMBER'S PERIOD OF
35 PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN PAST SIXTY MONTHS,
36 THE SYSTEM SHALL TRANSFER THE ACCUMULATED BALANCE OF A MEMBER'S DEFERRED
37 RETIREMENT OPTION PLAN PARTICIPATION ACCOUNT TO AN ACCOUNT CREATED FOR THE
38 MEMBER IN A DEFINED CONTRIBUTION PLAN. FOR THE SUBSEQUENT PERIOD OF TIME
39 IN THE DEFERRED RETIREMENT OPTION PLAN, UP TO TWENTY-FOUR MONTHS, ALL
40 DEFERRED RETIREMENT OPTION PLAN BENEFITS THAT ARE ACCRUED AND CREDITED
41 MONTHLY PURSUANT TO SUBSECTION C, PARAGRAPH 1 OF THIS SECTION SHALL BE
42 DEPOSITED IN THE MEMBER'S DEFINED CONTRIBUTION PLAN ACCOUNT. A MEMBER MAY
43 NOT WITHDRAW THE ASSETS OF THE MEMBER'S DEFINED CONTRIBUTION PLAN ACCOUNT
44 UNTIL THE MEMBER TERMINATES EMPLOYMENT.

1 ~~D.~~ E. The participant is not entitled to receive any amount
2 prescribed by section 38-856.05 or 38-857 during the deferred retirement
3 option plan participation period.

4 Sec. 3. Title 38, chapter 5, article 4, Arizona Revised Statutes,
5 is amended by adding section 38-844.10, to read:

6 38-844.10. Deferred retirement option plan; employer;
7 extension approval

8 NOTWITHSTANDING THE AGE AND SERVICE REQUIREMENTS PRESCRIBED IN
9 SECTION 38-844.03, AN EMPLOYER MAY APPROVE, FOR A MEMBER OF THE PUBLIC
10 SAFETY PERSONNEL RETIREMENT SYSTEM WHO IS PARTICIPATING IN THE DEFERRED
11 RETIREMENT OPTION PLAN ON THE EFFECTIVE DATE OF THIS SECTION, AN EXTENSION
12 OF THE MEMBER'S PERIOD OF PARTICIPATION FOR UP TO AN ADDITIONAL
13 TWENTY-FOUR MONTHS.

14 Sec. 4. Delayed repeal

15 Section 38-844.10, Arizona Revised Statutes, as added by this act,
16 is repealed from and after December 31, 2027.

17 Sec. 5. Public safety personnel retirement system board of
18 trustees; recommendations

19 On or before December 31, 2022, the public safety personnel
20 retirement system board of trustees shall report to the governor,
21 president of the senate and the speaker of the house of representatives
22 recommendations from stakeholders regarding measures that can improve
23 retention for members of the public safety personnel retirement system who
24 were hired on or after January 1, 2012 and before July 1, 2017 and
25 measures that can improve retention and recruitment for members who were
26 hired on or after July 1, 2017.

27 Sec. 6. Deferred retirement option plan; transfer and deposit
28 requirements; interest

29 Notwithstanding the transfer and deposit requirements in section
30 38-844.05, subsection D, Arizona Revised Statutes, as added by this act,
31 beginning on the effective date of this act until the system transfers the
32 balance of a member's deferred retirement option plan participation
33 account to an account in a defined contribution plan pursuant to section
34 38-844.05, subsection D, Arizona Revised Statutes, as added by this act,
35 the member's participation account shall continue to accrue benefits but
36 will receive zero percent interest for that period of time.

37 Sec. 7. Emergency

38 This act is an emergency measure that is necessary to preserve the
39 public peace, health or safety and is operative immediately as provided by
40 law.