

**MINUTES OF PUBLIC MEETING
FOR THE CORRECTIONS OFFICER RETIREMENT PLAN LOCAL BOARD
FOR THE JUDICIARY**

A Public Meeting of the Corrections Officer Retirement Plan Local Board for the Judiciary was convened Tuesday, August 2, 2022, at 10:00 a.m., via Zoom, Arizona State Courts Building, 1501 West Washington Street, Phoenix, Arizona.

Board Members Present by Conference/Video Call: Kevin Kluge (Chair); Jason Hathcock; Mark Smalley; Scott Mabery

Board Members Absent: Jennifer Fish

Also Present: Christopher Lemke, Local Board Secretary (video call); Sierra Stowell, Recorder (video call); Yvonne Wong, AOC Human Resources Officer (video call); Lesli Sorensen, Board Attorney (video call); Liana Garcia, AOC Government Affairs Director (video call)

Call to Order:

Approval of the Minutes:

July 5, 2022 – Public Meeting Minutes

MOTION: Mark Smalley moved to approve the public minutes of the July 5, 2022 meeting. The motion was seconded and passed unanimously; the minutes stand approved. **CORP 2022-39**

Legislative Update

Liana Garcia, Government Affairs Director for the Administrative Office of the Courts (AOC), reported on CORP-related 2022 legislation and answered questions presented by the Board. The following summary was provided for changes impacting CORP and the Local Board:

- HB2063 (PSPRS; CORP; Re-employment; Time period)

Amends A.R.S. § 38-884 by decreasing the time period after which a retired member of the Corrections Officer Retirement Plan (CORP) may become reemployed and be eligible to continue to receive pension payments to six months instead of twelve. All other previous re-employment conditions remain in the statute.

- HB2862 (General Appropriations Act)

Sec. 105 appropriates funds to reduce unfunded liability for the Juvenile Corrections CORP retirement plan.

Sec. 124 backfills a 2.5% salary increase for probation officers & keeps the language from last session regarding counties absorbing any cost increases above state-allocated funding.

Ms. Garcia noted that numerous bills included appropriations to shore up unfunded liability in the CORP plan, but none applicable to our Judicial Employer account. State legislatures were hesitant to fund counties using the State General fund, resulting in the passing of legislature that targets State, not County, employees. The Chair asked if this legislature will come up next year to see if the Counties could pay their share of unfunded liability. Ms. Garcia responded that there is a chance it will come back up if there is a surplus budget.

Mr. Hathcock asked whether Maricopa County's payment of CORP unfunded liability only included Sheriff's Department Detention Officers or if it also included AOC Probation Officers. Mr. Hathcock asked if Board Member Jennifer Fish had additional details, but Ms. Fish was not in attendance. The Chair replied that the yearly PSPRS actuarial report would show if the overall deficit was reduced.

- SB1084 (State retirement plans – Administration)

Sec. 16 (P. 34, line 39) Adds to the definition of “eligible retirement plan” for purposes of accepting a distributee's eligible rollover distribution: (1) effective 1/1/08, a Roth IRA that complies with Sec 408A of the IRS code; (2) for distributions after 12/18/15, a simple retirement account as defined in Sec. 408P of the IRS code.

Sec. 17, 18 (p. 39, 40) Amends A.R.S. § 38-883 to require the CORP Board of Trustees to provide its final report of contribution rates to the Governor & Legislature by December 1st of each year. Last year this deadline was changed to December 31st.

- SB1086 (Appropriation – Unfunded liability; PSPRS; CORP)

Appropriates funds to reduce unfunded liability in various PSPRS and CORP accounts but does not impact the CORP Local Board for the Judiciary. The CORP accounts funded are employer accounts for DPS dispatchers (\$6.3M) and DPS detention officers (\$309,200).

- SB1214 (Reviser's technical corrections)

Amends A.R.S. § 38-893 to **correct** drafting errors and differing effective dates Sec. 14 (P. 18-23) as follows: Each local board shall hire an independent legal counsel. The local board's independent legal counsel may not be employed by or contracted with the employer or any employee organizations. **The independent legal counsel may not represent a member of the plan before any local board or any judicial appeal of a local board decision.** The local board's independent legal counsel shall review the model uniform rules for local board procedures that are issued by the board of trustees.

Applies retroactively – to, from, and after December 31, 2021.

Mr. Smalley had a question regarding if the legislature extended the Deferred Retirement Option Plan (DROP) to seven years and whether it impacts CORP. Mr. Hathcock advised that this change did occur, but it only impacts Public Safety Personnel, not CORP, which has access to the Reverse DROP plan.

Mr. Mabery asked for clarification on HB2862 and whether it applies strictly to State Juvenile Corrections, or if it also includes County Detention Centers. Ms. Garcia confirmed that HB2862 does not apply to the County. Mr. Mabery followed up and asked if the 2.5% salary increase backfill noted in HB2862 only applies to State probation officers. Ms. Garcia clarified that these funds are set aside for both State and County probation, but the County is required to absorb the cost of any increases above the state-approved increase.

The Chair requested that Ms. Garcia return and provide a future update in December before the start of the legislative session and during the session to update the Board on any bills that may impact CORP and the Local Board for the Judiciary.

CORP Audio Report & Approval of Records Destruction

At the Chair's request, the Board Secretary has provided a report identifying the transcripts and/or audio records available for meetings where a disability case was discussed for members that have not yet reached their normal retirement date. See the provided spreadsheet for details of these records.

Additionally, audio recordings are available for all Local Board meetings where discussions were held regarding the Pima Detention Officers' request to move from the Arizona State Retirement System to CORP. Audio records are available for the meetings held on:

- January 9, 2018
- March 6, 2018
- April 3, 2018

The Board was provided with a certificate of destruction form for review and approval. If authorized by the Board, Staff will begin the destruction of electronic records and retention of a completed certificate on an as-needed basis in accordance with this Board's Rules of Local Board Procedure.

CORP Local Board for the Judiciary Rules of Local Board Procedure

C.6.e:

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.

- i. For Meetings at which no disability claims have been considered, such electronic recordings shall be maintained for ninety (90) days after the Minutes have been submitted to the Board of Trustees.*
- ii. For Meetings at which a disability claim was considered, such electronic recordings shall be maintained until the Claimant reaches his or her normal retirement date.*
- iii. The Secretary may destroy the electronic recording of a Local Board Meeting after the period in Section C(6)(e)(1) or (2) expires. The Secretary will prepare*

and retain a certificate of destruction when any electronic recordings are destroyed.

The Chair noted that there were a few recordings from 2021 that are missing, but asked for confirmation that we had the minutes for those meetings. The Board Secretary confirmed that minutes are available.

Mr. Hathcock asked for confirmation that only nine disability cases have yet to reach the normal retirement date. Mr. Hathcock added that court reporters were previously used to transcribe meeting minutes and asked if those companies had been contacted. The Board Secretary responded that all recordings and transcripts available are documented and explained that a more comprehensive report is available, but the report requested by the Chair was for those who have not yet reached their normal retirement date.

Mr. Smalley asked if someone other than the Board Secretary should sign the certificate of destruction. Mr. Hathcock recommended that the Board Chair and someone of the Chair's choosing provide their signatures. The Secretary asked for clarification as to whether the Board Secretary, the Chair, and an additional Board member should sign the document. The Chair confirmed that the Board Secretary, Chair, and an additional Board member are to sign the document prior to the destruction of audio records.

MOTION: Jason Hathcock moved to approve the use and retention of the certificate of destruction form following the destruction of an electronic recording in accordance with section C.6.e. of the CORP Local Board for the Judiciary Rules of Local Board Procedure including adding two additional signatures for the Board Chair and an additional Board member. The motion was seconded and passed unanimously. **CORP 2022-40**

Approval of Membership:

The Local Board voted on the approval of the following requests for membership:

Cristina Anzures	Cochise	3/21/2022
Jesus Bonilla-Loza	Maricopa	6/26/2022
Noah Encizo	Maricopa	6/26/2022
Tarak Manea	Maricopa	7/3/2022
Taytem Strauel	Maricopa	7/5/2022
Megan Smith	Maricopa	7/6/2022
Jeny Moran	Maricopa	7/10/2022
Ashley Fitzsimmons	Maricopa	7/10/2022
Mirthala Martinez	Maricopa	7/10/2022
Vincent Garcia-Landry	Maricopa	7/10/2022
Daniel Bracamonte	Maricopa	7/17/2022
Vanessa Marshall	Maricopa	7/17/2022
Jocelyn Rodriguez	Maricopa	7/17/2022
Connor Standley	Maricopa	7/17/2022

Macklin Carlsrud	Maricopa	7/17/2022
Alissa Loomis	Navajo	6/26/2022
Stephanie Collins	Navajo	7/10/2022
Alberto Garcia Hernandez	Pima	7/3/2022
Jessica Wheeler	Pima	7/10/2022
Kendra Barillas	Pima	7/17/2022
Sierra Lisby	Pinal	7/3/2022
Adrian Penagos	Santa Cruz	7/17/2022
Timothy Mahoney	Yavapai	6/26/2022
Guiliano Mestrin	Yavapai	7/3/2022
Michaela Burk	Yuma	7/3/2022

Mr. Hathcock asked for confirmation that member Cristina Anzures terminated and did not take a refund prior to reemployment in a CORP-designated position. The Secretary confirmed that the member did terminate, leave the funds in CORP, and get re-hired years later.

MOTION: Scott Mabery moved to approve the 25 applicants listed on the agenda for this meeting for membership in CORP pursuant to A.R.S. § 38-893(D) and to note for the record that the physical examinations for Taytem Strauel, Stephanie Collins, Jessica Wheeler, Sierra Lisby, and Timothy Mahoney, identified a physical or mental condition or injury that existed or occurred before their dates of membership in the plan. The motion was seconded and passed unanimously. CORP 2022-41

Future Agenda Items:

Staff informed the Board that the following items will likely be placed on the September 6, 2022 meeting agenda:

- Report on Retiree Return to Work issues provided by the Board Attorney

The Chair asked the Board Attorney for clarification on the topics being covered in the report. Ms. Sorensen responded that it is regarding pre-arranged employment and issues related to CORP retirees returning to work in a CORP-designated position. Mr. Hathcock requested that the report address what entity would be considered the employer of a current or former member of the CORP plan.

Call to the Public:

No members of the public addressed the Board.

The meeting was adjourned at 10:41 a.m.

Transcribed August 2, 2022.