

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

A Public Meeting of the Corrections Officer Retirement Plan Local Board for the Superior Court was convened Tuesday, April 3, 2018 at 10:00 a.m., Conference Room 109, Arizona State Courts Building, 1501 West Washington Street, Phoenix, Arizona.

Board Members Present in Conference Room 109: Kevin Kluge, Chair; Jason Hathcock, Rob Lubitz, and Mark Smalley.

Board Members Present by Conference Call: Danna Quinn

Also Present: Hannah Auckland, Board Attorney; Annette Corallo, Board Secretary, Wanda Roberson, Recorder; Ottmar & Associates, Court Reporter; Ben Norris; Ryan Krench; Phillip Hanley

Also Present by Conference Call: Gale Greene, Yvonne Haymore, Jennifer Torchia, and Beau Wilcox from Pima County Juvenile Detention

Call to Order:

Approval of the Minutes:

March 6, 2018 – Public Meeting Minutes

MOTION: A motion to approve the minutes of the public meeting on March 6, 2018, was made by Jason Hathcock. Motion was seconded and passed unanimously; minutes stand approved. **CORP 2018-28**

Decision on Request for Review – Pima County Detention Officers’ Request to Move from ASRS to CORP:

The Board received a request from approximately 35 juvenile detention officers in Pima County, via a letter from Director of Juvenile Court Services Jennifer Torchia dated December 1, 2017, to be considered for the option to switch from ASRS to CORP membership. The letter explains the request is made because of the very limited education provided when the option was initially presented and available in 2007. The Board initially considered the letter at its meeting on January 9, 2018, and voted to table further review and discussion until the Board’s next scheduled meeting, and to gather all information that was disseminated by the Administrative Office of the Courts regarding the Joinder and to contact Pima County to try to obtain information as to how the information was disseminated to staff.

On February 23, 2018, the Board Secretary received a request from Assistant Attorney General Ben Norris, representing the Employer (AOC), to have further consideration postponed to the Board's April 3, 2018, meeting. The request was made so the AOC could put its position in writing, and allow the detention officers to have a chance to see and review the AOC's position before the issue is considered by the Board. On March 6, 2018, the Board voted to defer action on this matter until the Attorney General's office could put the Employer's (AOC) position in writing, for review by all parties before the Board decides on this matter.

In a letter dated March 12, 2018, Mr. Norris stated that the AOC respectfully requests that the Board deny the pending request for the reasons set forth in his letter. A copy of the letter from Mr. Norris was provided in a series labeled ER 1-30.

The following were also provided, in the series labeled LB 1-61:

1. Request from Jennifer Torchia dated December 1, 2017, to consider this matter
2. Email from Jennifer Torchia identifying the detention officers included in this request
3. Copy of "Election to Remain in the Arizona State Retirement System" waiver form
4. Letter from Board Secretary to Jared Smout, PSPRS Administrator, seeking input on this matter from PSPRS
5. Response letter to Board Secretary from Jared Smout dated January 4, 2018
6. Letter from Marc R. Lieberman to former Board Secretary, dated November 24, 2008, citing statute and case law regarding signed irrevocable waivers
7. Emails submitted to Board Secretary by Board member Jason Hathcock on January 9, 2018, as sample 2006 communications from Employer to probation departments
8. Handouts from Informational Satellite Broadcast conducted by Employer on April 18, 2007
9. CORP Broadcast 4/18/2007 Studio Audience Questions
10. Print out of AOC Updates page at Judicial Branch CORP website

The Chair acknowledged the officers from Pima County who were on the phone and asked if they wished to make a statement. Jennifer Torchia stated that most of the 33 officers appreciated that the group was finally being heard on this matter but discouraged when they received the document from the Attorney General's Office. Many of the officers felt the Attorney General's letter should have stuck to the facts of the legalities, and that some of the tone and comments were condescending.

The Chair also acknowledged the representatives from the Attorney General's Office and asked if they wished to make a statement. Ryan Krench of the Attorney General's Office asked the Board if there were any questions he could answer; the Board had no questions. Mr. Krench went on to state that the AOC was sympathetic to the plight of the Juvenile Detention Officers, but the AOC could not agree with the transfer because the facts and the law do not support it. The waiver form the officers signed 11 years ago acknowledges they understood the consequences of the decision and understood they were opting out of the transfer to CORP. Mr. Krench pointed out a section in the waiver that states, "I have received all information about my retirement rights I consider

necessary to make this election” and concluded that Arizona law has held those types of waivers are enforceable and enforced.

He stated that phrase was important because the claim has been that the officers were not given adequate information to make a sound decision. Mr. Krench went on to say that because the officers opted out 11 years ago, too much time has passed and the AOC would not be able to properly defend itself in a matter such as this. Mr. Krench further stated there was some evidence that emails went out in 2006 to the Juvenile Detention Office with direction about how to acquire information about CORP, and what it meant to leave ASRS to join CORP, which was a year prior to the waivers being signed.

The Chair stated that he saw no evidence of fraud or misrepresentation as part of this claim and that the employer (AOC) did not have any statutory or contractual obligation to provide a certain level of training. Although training was not required, the AOC did provide a level of training that seemed to be reasonable. The Chair also stated that he felt it was the individual’s responsibility to seek out that training. Board member Danna Quinn agreed with the Chair.

MOTION: A motion that the Board deny the petitioners’ request to switch from ASRS to CORP because (1) the “Election to Remain in the Arizona State Retirement System” forms signed by petitioners clearly stated that their election was irrevocable and cannot under any circumstances be changed, amended, reversed or appealed; (2) the Board further notes that in signing the election forms to remain in the Arizona State Retirement System, the petitioners acknowledged they had obtained all information about their retirement rights that they considered necessary to make the election at that time; and (3) Arizona law requires that the officers’ irrevocable waivers be enforced as written. was made by Rob Lubitz. Motion was seconded and passed unanimously. CORP 2018-29

Update on CORP Tier 3

Since the Board’s last meeting:

- PSPRS has released two of three planned educational videos about Tier 3
- PSPRS has released four resources for Tier 3 implementation:
 1. How-to guide for CORP employers covering payroll and contribution file content and format
 2. Matrix that summarizes the benefits for each employee tier
 3. Benefits brochure for prospective Tier 3 probation and surveillance officers comparing the Defined Benefit and Defined Contribution plans
 4. Web page dedicated to the changes coming to CORP (<http://www.psprs.com/employers--local-boards/correction-officer-retirement-reform-toolkit>)
- Robert Ortega of PSPRS will attend the Adult and Juvenile probation administrators’ meeting on April 5 to discuss Tier 3 implementation
- a stakeholder meeting has been scheduled for April 9 at PSPRS to discuss implementation and outreach; representatives of this Board will attend

- the Board Secretary has requested updates to the Board database to accommodate Tier 3

The Board Secretary reported that the requested database updates thus far include a data field to indicate whether a member has chosen the Defined Benefit or Defined Contribution option, and if Defined Contribution, what percentage the member has elected to contribute. She asked whether the Board would like to capture any other data for Tier 3. There were no suggestions, but the Chair suggested that the Chief Probation Officers and Juvenile Court Directors be asked about this at their meeting on April 5. The Chair also suggested that the Board explore whether some method should be put in place to document/attest that training was given to new officers about their Tier 3 options.

Approval of Normal Retirement Benefits:

MOTION: A motion to approve the payment of Normal Retirement benefits to the following applicants in about the following amounts, effective April 1, 2018, was made by Mark Smalley. Motion was seconded and passed unanimously. CORP 2018-30

Kim D. Boettcher:	\$4,660.15
Karen Caperton Cowgill:	\$3,442.33
Jessie A. Jimenez:	\$3,673.72; Reverse DROP Estimate: \$44,606.29
Stephen M. Marrone:	\$4,146.26; Reverse DROP Estimate: \$259,873.65

Approval of Survivor Benefit

An application for a survivor benefit was submitted for the Board's approval pursuant to A.R.S. §38-887.

MOTION: A motion to approve the payment of a survivor benefit to Kenneth Q. Rappola in the amount of \$444.39, as the spouse of member Geraldine Martinez Rappola (retired, deceased December 27, 2017), beginning January 31, 2018, was made by Danna Quinn. Motion was seconded and passed unanimously. CORP 2018-31

Approval of Deferred Annuity

An application for a Deferred Annuity was submitted for the Board's approval pursuant to A.R.S. § 38-911(A).

A Deferred Annuity is not a retirement benefit and annuitants are not entitled to survivor benefits, benefit increases, or the group health insurance subsidy. Mr. Lopez received a copy of the CORP Member Handbook that explains how the Deferred Annuity differs from the CORP retirement benefit.

Mr. Lopez attained the age of 62 on January 29, 2018, and made application for the Deferred Annuity on March 10, 2018. He terminated employment with Santa Cruz County on May 3, 2016, with 10.262 years of credited service.

MOTION: A Motion to approve the payment of a Deferred Annuity to David M. Lopez in the amount of \$646.65 beginning February 28, 2018, was made by Mark Smalley. Motion was seconded and passed unanimously. CORP 2018-32

Acknowledgement of CORP Physical Exam Final Letters

The Chair noted for the record that physical examination reports for Ramon H. Aguilar, Xochitl M. Calderon, Tessa Carr-Studer, Latisha Lewis, Audrey J. Mazur, Amber Stewart and Paul E. Zimmerman were not received within 60 days of receipt of their membership applications and that final letters requesting an examination were sent to these members via certified mail on March 22, 2018.

Approval of Membership:

The Local Board may consider and vote on the approval of the following requests for membership or defer decision to a later date:

Aguilar, Ramon H.	Cochise	1/15/2018
Bailey, Nichole	Maricopa	2/12/2018
Barela, Martin A.	Pima	12/11/2017
Bell, Traci	Pima	2/12/2018
Brock, Matthew	Yavapai	12/3/2017
Calderon, Xochitl M.	Maricopa	11/20/2017
Carr-Studer, Tessa	Coconino	12/30/2017
Eiser, Kevin R.	Mohave	12/26/2017
Esparza, Karla	Maricopa	3/12/2018
Figueroa, Alexandro A.	Pima	1/8/2018
Johnson, Kaitlyn A.	Pima	11/20/2017
Lewis, Latisha	Yavapai	1/14/2018
Lira, Jacqueline	Pima	12/23/2017
Lott, Arial I.	Gila	12/11/2017
Marinez, Louis H.	Pima	12/10/2017
Marshall, Ryan	Maricopa	3/5/2018
Martinez, Cindy L.	Pima	11/13/2017
Mazur, Audrey J.	Yavapai	12/31/2017
Odell, Heather	Maricopa	2/12/2018
Omotinugbon, Olusegun	Pima	2/20/2018
Rogue, Ana	Maricopa	3/12/2018
Stewart, Amber	Coconino	12/16/2017
Watson, Allison G.	Pima	12/12/2017
Vincent, Jesse	Maricopa	2/12/2018
Zimmerman, Paul E.	Maricopa	1/16/2018

MOTION: A motion 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 Martin A. Barela, Matthew Brock, Kevin R. Eiser, Kaitlyn A. Johnson, Jacqueline Lira, Arial I. Lott, Cindy L. Martinez, and Allison G. Watson identified a physical or mental condition or injury that existed or occurred before their date of membership in the plan was made by Rob Lubitz. Motion was seconded and passed unanimously. CORP 2018-33

Future Agenda Items:

The Board Secretary reported that an IME has finally been scheduled for disability applicant Julian Vince Romero on April 26, 2018, but she does not expect the report will be received in time for the Board to review the report at the meeting on May 8, 2018.

Call to the Public:

No members of the public addressed the Board.

The meeting was adjourned at 10:36 a.m.