

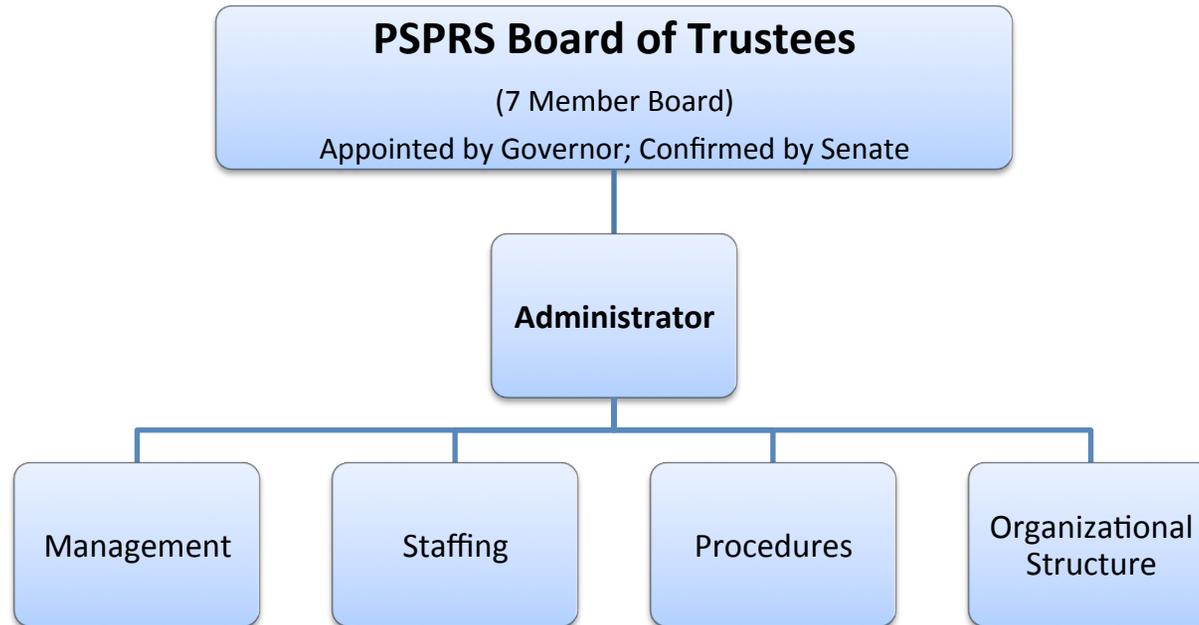
Informational Presentation on the Public Safety Personnel Retirement System Board Structure and Governance, including Local Pension boards

Defined Contribution and Retirement
Study Committee Meeting
November 22, 2011





PSPRS Organizational Chart



- 2 Elected Members from a local pension board to represent the employees
- 1 Member to represent the State of Arizona as an employer (must have 10 years of significant investment experience)
- 1 Member to represent the cities as an employer
- 1 Elected county or state official or a judge of the superior court, court of appeals or supreme court
- 2 Public Members (must have 10 years of significant investment experience)



PSPRS Board Governance Manual

- Governance Principles
- Board of Trustees Charter
 - The Board's Role, Duties and Responsibilities
- Charters of Chair and Vice-Chair of the BOT
 - Commitments, Duties and Responsibilities of each role



PSPRS Board Governance Manual

- Charters of Board of Trustees subcommittees
 - Investment
 - Operations & Audit
 - Outlines Role and Responsibilities of Committees
 - Outlines Specific Audit functions of the Operations & Audit Committee
- Charter of the Administrator
 - Sets delegation responsibility from BOT
 - Outlines Duties and Responsibilities



PSPRS Board Governance Manual

- Charter of Independent Investment Consultant
 - Sets General Parameters and Purpose
 - Sets responsibility to the BOT
- Compliance Officer Charter
 - Sets Scope of Role
 - Sets Authority, Duty and Access
 - Outlines Specific Audit and Compliance Functions
- Charter of Fiduciary Counsel
 - Sets Duties, Responsibilities and Qualifications of Counsel



PSPRS Board Governance Manual

- Governance Policies
 - Policy Development Process
 - Set Board of Trustees and Subcommittees Operations
 - Code of Conduct
 - Code of Ethics
 - Planning and Budgeting Process
 - Administrator Performance Evaluation Process



Local Pension Boards

- PSPRS and CORP require that each participating employer group establish a local board
- The Local Board vested with deciding all matters that affect their account
- Local Board Comprised of 5 members
 - Chair (determined by employer type)
 - 2 Appointed Public Members (statutes set qualifying factors)
 - 2 Elected Members to represent contributing Membership



Local Pension Boards

- Decisions by Local Boards subject to rehearing and Judicial Review
- PSPRS Administrative Staff review Local Board decisions in accordance with BOT approved policy.
- Administration of Local Board Proceedings based upon
 - Local Board Adopted Rules of Procedure; or
 - Rules of Procedure set by PSPRS Board of Trustees if not adopted otherwise