



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

AGENDA

NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE ARIZONA STATE RETIREMENT SYSTEM BOARD

3300 North Central Avenue, 10th Floor Board Room
Phoenix, AZ 85012

August 26, 2016
8:30 a.m.

Pursuant to A.R.S. § 38-431.02 (F), notice is hereby given to the Trustees of the Arizona State Retirement System (ASRS) Board and to the general public that the ASRS Board will hold a meeting open to the public on Friday, August 26, 2016, beginning at 8:30 a.m., in the 10th Floor Board Room of the ASRS offices at 3300 N. Central Avenue, Phoenix, Arizona 85012. Trustees of the Board may attend either in person or by telephone conference call.

The Chair may take public comment during any agenda item. If any member of the public wishes to speak to a particular agenda item, they should complete a "Request To Speak" form indicating the item and provide it to the Board Administrator.

Pursuant to A.R.S. § 38-431.03(A)(3), the ASRS Board of Trustees may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item on the Agenda.

This meeting will be teleconferenced to the ASRS Tucson office at 4400 East Broadway Boulevard, Suite 200, Tucson, Arizona 85711. The conference call to Tucson will be disconnected after 15 minutes if there are no attendees in the Tucson audience.

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call; Opening Remarks Mr. Kevin McCarthy
Board Chair
2. Approval of the Minutes of the June 24, 2016 Public Meeting and Executive Session of the ASRS Board (*estimated time 1 minute*)..... Mr. Kevin McCarthy

Regarding the following agenda item, notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board may vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the attorney(s) of the public body, which will not be open to the public.

3. Approval, Modification, or Rejection of Recommended Administrative Law Judge’s Decision Regarding Ms. Valerie Fields Appeal Regarding Service Credit and a Benefit Overpayment (*estimated time 20 minutes*)..... Ms. Jothi Beljan
Assistant Attorney General
..... Mr. Rex Nowlan
Agency Counsel Section Chief, Attorney General’s Office

4. Presentation Regarding PRIDE Award for Results (*estimated time 5 minutes*) .. Mr. Paul Matson
Director
..... Mr. Anthony Guarino
Deputy Director and Chief Operations Officer

5. Presentation, Discussion, and Appropriate Action Regarding the Public Retirement Landscape: National, State, and Local (*estimated time 60 minutes*).....Mr. Keith Brainard
National Association for State Retirement Administrators (NASRA)
.....Ms. Sara Orozco
Manager Strategic Planning and Analysis

6. Presentation, Discussion, and Appropriate Action Regarding ASRS Budget Related Topics Including:
 - a. Presentation of the ASRS Appropriated Budget and the ASRS Administrative and Investment Spending Plans for FY 2016 and FY 2017.
 - b. Presentation of the ASRS Appropriated and Continuously Appropriated Budget Request and the ASRS Administrative and Investment Spending Plan for FY 2018.
(*estimated time 20 minutes*)..... Mr. Paul Matson
..... Mr. Anthony Guarino
..... Ms. Martha Rozen
Chief of Administrative Services
.....Mr. Russ Levine
Procurement and Budget Manager

7. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Program Updates (*estimated time 20 minutes*) Mr. Paul Matson
.....Mr. Karl Polen
Chief Investment Officer
 - a. ASRS Fund Positioning
 - b. IMD Investment House Views
 - c. IMD Projects, and Asset Class Committee (ACC) Activities
 - d. State Street Risk Report

8. Presentation, Discussion and Appropriate Action Regarding Independent Reporting, Monitoring, and Oversight of the ASRS Investment Program – Includes Total Fund Q2-16 (*estimated time 20 minutes*)..... Mr. Allan Martin
Partner, NEPC

9. Presentation, Discussion, and Appropriate Action Regarding an Annual Update on Strategic Plan Priority #5 in the ASRS 5-Year Strategic Plan: Ensure High Productivity (*estimated time 15 minutes*)..... Mr. Anthony Guarino
.....Ms. Sara Orozco
..... Mr. Jeremiah Scott
Strategic Planner Senior
.....Mr. Brian Crockett
Strategic Planner Senior

10. Presentation, Discussion, and Appropriate Action Regarding the Director's Report as well as Current Events (*estimated time 5 minutes*) Mr. Paul Matson
..... Mr. Anthony Guarino
 - a. 2016 Compliance Report
 - b. 2016 Investments Report
 - c. 2016 Operations Report
 - d. 2016 Budget and Staffing Reports
 - e. 2016 Cash Flow Statement
 - f. 2016 Appeals Report
 - g. 2016 Employers Reporting

11. Presentation and Discussion Regarding Informational Updates from Prior and Upcoming Committee Meetings (*estimated time 15 minutes*)
 - a. Operations and Audit Committee (OAC) Mr. Jeff Tyne, Chair
..... Mr. Anthony Guarino
The next OAC Meeting will be held on October 11, 2016.
 - b. External Affairs Committee (EAC) Dr. Richard Jacob, Chair
..... Mr. Patrick Klein
The next EAC Meeting will be held on September 9, 2016.
 - c. Investment Committee (IC)Mr. Tom Connelly, Chair
..... Mr. Karl Polen
The next IC Meeting will be held on October 24, 2016.

12. Board Requests for Agenda Items (*estimated time 1 minute*)..... Mr. Kevin McCarthy

13. Call to the Public Mr. Kevin McCarthy

Those wishing to address the ASRS Board are required to complete a Request to Speak form before the meeting indicating their desire to speak. Request to Speak forms are available at the sign-in desk and should be given to the Board Administrator. Trustees of the Board are prohibited by A.R.S. § 38-431.01(H) from discussing or taking legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. As a result of public comment, the Board may direct staff to study and/or reschedule the matter for discussion and decision at a later date.

14. The next regular public ASRS Board meeting is scheduled for Friday, September 30, 2016, at 8:30 a.m., at 3300 N. Central Avenue, in the 10th Floor Board room, Phoenix, Arizona.

The Board will take a 10 minute recess while the meeting moves to the 14th floor conference room, where the balance of the meeting and possible executive session will take place.

Due to logistics, this portion of the meeting will NOT be teleconferenced to the ASRS Tucson office at 4400 East Broadway Boulevard, Suite 200, Tucson, Arizona 85711.

Regarding the following agenda item, pursuant to A.R.S. § 38-431.03(A)(2), the ASRS Board may vote to go into executive session, which will not be open to the public, for the purpose of considering or discussing records exempt by law from public inspection.

- 15. Presentation, Discussion, and Appropriate Action Regarding Data Security Initiatives (*estimated time 20 minutes*)..... Mr. Paul Matson
..... Mr. Anthony Guarino
..... Mr. Kent Smith
Assistant Director, Technology Services Division

Regarding the following agenda item, pursuant to A.R.S. § 38-431.03(A)(1), notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board shall vote to go into executive session, which will not be open to the public, for the purpose of reviewing the Employment Contract of the ASRS Director.

- 16. Presentation, Discussion, and Appropriate Action Regarding the Review of the Employment Contract for the ASRS Director (*estimated time 15 minutes*)..... Mr. Kevin McCarthy
- 17. Adjournment of the ASRS Board.

A copy of the agenda background material provided to Board Trustees (with the exception of material relating to possible executive sessions) is available for public inspection at the ASRS offices located at 3300 North Central Avenue, 14th Floor, Phoenix, Arizona and 4400 East Broadway Boulevard, Suite 200, Tucson, Arizona. The agenda is subject to revision up to 24 hours prior to meeting. These materials are also available on the ASRS website (<https://www.azasrs.gov/web/BoardCommittees.do>) approximately 48 hours prior to the meeting.

Persons(s) with disabilities may request a reasonable accommodation such as a sign language interpreter or alternate formats of this document by contacting Tracy Darmer, ADA Coordinator at (602) 240-5378 in Phoenix, at (520) 239-3100, ext. 5378 in Tucson, or 1-800-621-3778, ext. 5378 outside metro Phoenix or Tucson. Requests should be made as early as possible to allow time to arrange the accommodations.

Dated August 19, 2016

ARIZONA STATE RETIREMENT SYSTEM

Signed Copy on File
Melanie A. Alexander
Board Administrator

Signed Copy of File
Paul Matson
Director