



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 31, 2018
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 31, 2018, 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. Tom Manos
Chair

2. Approval of the Minutes of the June 29, 2018 Public Meeting and Executive Session of the ASRS Board (*estimated time:1 minute*) Mr. Tom Manos

3. Presentation Regarding Government Finance Officers Association (GFOA) Financial Reporting Awards:
 - a. Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2017
 - b. Popular Annual Financial Report (PAFR) for FY 2017
(*estimated time: 5 minutes*)..... Mr. Paul Matson
Director
..... Mr. Anthony Guarino
Deputy Director and Chief Operations Officer
..... Ms. Erin Higbee
Chief Financial Officer
..... Mr. Jeremy Pond
Controller

4. 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. MSCI Risk Report

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS Retiree Health Insurance Program Contract Renewal (*estimated time: 15 minutes*)..... Mr. Clark Partridge
Chair, Operations, Audit & Legislative Committee
..... Mr. Anthony Guarino
..... Mr. Dave King
Assistant Director, Member Services Division
..... Ms. Julie Lockwood
Program Manager
..... Mr. Frank Perri
Benefits Program Administrator
..... Ms. Courtney Mischeau
Management and Benefits Analyst

6. Presentation, Discussion, and Appropriate Action Regarding a Draft Five-Year Strategic Plan for the ASRS (*estimated time: 20 minutes*) Mr. Paul Matson
..... Mr. Anthony Guarino
..... Ms. Sara Orozco
Strategic Planning Manager

7. Presentation, Discussion, and Appropriate Action Regarding ASRS Budget-Related Topics Including:
 - a. Presentation/update of the ASRS Appropriated and Continuously Appropriated Budget Plans to include the ASRS Administrative and Investment Spending Plans for FY 2019.
 - b. Presentation of the ASRS Appropriated and Continuously Appropriated Budget Request and the ASRS Administrative and Investment Spending Plans for FY 2020. (*estimated time: 20 minutes*)..... Mr. Clark Partridge
..... Mr. Paul Matson
..... Mr. Anthony Guarino
..... Ms. Martha Rozen
Chief of Administrative Services
..... Mr. Russ Levine
Procurement and Budget Manager
..... Ms. Kerry White
Assistant Chief Investment Officer

8. Presentation, Discussion and Appropriate Action Regarding the ASRS Audit Plan for Fiscal Year (FY) 2019 (*estimated time: 15 minutes*)..... Mr. Clark Partridge
..... Mr. Harold Mackey
Chief Internal Auditor

9. Presentation, Discussion, and Appropriate Action Regarding Appointment of Board Committee Officers and Membership (*estimated time: 10 minutes*) Mr. Tom Manos

10. Presentation, Discussion, and Appropriate Action Regarding Director's Report as well as Current Events (*estimated time: 5 minutes*) Mr. Paul Matson
..... Mr. Anthony Guarino
 - a. 2018 Compliance Report
 - b. 2018 Operations Report
 - c. 2018 Budget and Staffing Reports
 - d. 2018 Cash Flow Statement
 - e. 2018 Appeals Report
 - f. 2018 Employers Reporting

11. Presentation and Discussion Regarding Informational Updates from Prior and Upcoming Committee Meetings (*estimated time: 15 minutes*)
 - a. Operations, Audit and Legislative Committee (OALC) Mr. Clark Partridge, Chair
..... Mr. Anthony Guarino
The next OALC Meeting will be held on October 3, 2018.
 - b. Investment Committee (IC) Mr. Clark Partridge, Acting Chair
..... Mr. Karl Polen
The next IC Meeting is scheduled for September 28, 2018.
 - c. Appeals Committee (AC) Mr. Tom Manos, Chair
..... Mr. Anthony Guarino
The next AC Meeting is scheduled for October 9, 2018.

12. Board Requests for Future Agenda Items (*estimated time: 1 minute*) Mr. Tom Manos

13. Call to the Public Mr. Tom Manos

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, November 9, 2018, 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 executive sessions will take place.

Regarding the following agenda item, pursuant to A.R.S. § 38-431.03(A)(2), 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, which will not be open to the public, for the purpose of discussion or consideration of records exempt by law from public inspection.

15. Presentation, Discussion, and Appropriate Action Regarding the ASRS Security Program
(estimated time: 30 minutes)..... Mr. Anthony Guarino
..... Mr. Jeff Hickman
Information Security Officer

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 Agreement of the ASRS Director.

16. Presentation, Discussion, and Appropriate Action Regarding the Employment Agreement for the ASRS Director (estimated time: 15 minutes)..... Mr. Tom Manos

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/content/board-and-committee-meetings>) approximately 48 hours prior to the meeting.

Persons 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 24, 2018

ARIZONA STATE RETIREMENT SYSTEM

Signed Copy on File
Joyce Williams
Board Administrator

Signed Copy on File
Paul Matson
Director