



# 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, 10<sup>th</sup> Floor Board Room  
Phoenix, AZ 85012

February 23, 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, February 23, 2018, beginning at 8:30 a.m., in the 10<sup>th</sup> 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  
Chair
2. Approval of the Minutes of the December 1, 2017 Public Meeting of the ASRS Board  
(*estimated time: 1 minute*) .....Mr. Kevin McCarthy
3. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2018 Legislative  
Initiatives and Legislative Update (*estimated Time: 15 minutes*)..... Ms. Jessica Thomas  
Government Relations Officer

4. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Program Updates (*estimated time: 20 minutes*) ..... Mr. Paul Matson  
..... Director  
..... 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 Allocation and Distribution Method of Retrospective Rate Agreement (RRA) Funds (*estimated time: 20 minutes*) ..... Mr. Paul Matson
  
6. Presentation, Discussion, and Appropriate Action Regarding the Role and Duties of Internal Audit and the Hiring Process for Chief Internal Auditor (*estimated time: 15 minutes*)..... Mr. Paul Matson  
..... Mr. Anthony Guarino  
Deputy Director and Chief Operations Officer
  
7. 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. 2017 Compliance Report
  - b. 2017 Operations Report
  - c. 2017 Budget and Staffing Reports
  - d. 2017 Cash Flow Statement
  - e. 2017 Appeals Report
  - f. 2017 Employers Reporting
  
8. 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 April 4, 2018.*
  - b. Investment Committee (IC) .....Mr. Clark Partridge, Acting Chair  
..... Mr. Karl Polen  
*The next IC Meeting is scheduled for March 16, 2018.*
  - c. Appeals Committee (AC) .....Mr. Tom Manos, Chair  
..... Mr. Anthony Guarino  
*The next AC Meeting is scheduled for April 10, 2018.*
  
9. Board Requests for Future Agenda Items (*estimated time: 1 minute*).....Mr. Kevin McCarthy

10. 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.

11. The next regular public ASRS Board meeting is scheduled for Friday, April 27, 2018, at 8:30 a.m., at 3300 N. Central Avenue, in the 10th Floor Board Room, Phoenix, Arizona.

***The Board will take a 15 minute recess while the meeting moves to the 14<sup>th</sup> floor conference room, where the balance of the meeting will take place.***

12. Presentation, Discussion, and Appropriate Action Regarding the Board Governance Evaluations .....Mr. Kevin McCarthy

- a) Trustees' 2017 Self-Evaluation
- b) Board 2017 Self-Evaluation
- c) Key issues in 2017
- d) Focus areas for 2018

13. 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 February 16, 2018

ARIZONA STATE RETIREMENT SYSTEM

Signed Copy on File  
Alicia Guzman  
Board Administrator

Signed Copy on File  
Paul Matson  
Director