



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

November 9, 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, November 9, 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 RemarksMr. Tom Manos
Chair
2. Approval of the Minutes of the August 31, 2018 Public Meeting and Executive Sessions of the ASRS Board (*estimated time: 1 minute*)Mr. Tom Manos
3. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2019 Legislative Initiatives (*estimated time: 15 minutes*) Ms. Jessica Thomas
Government Relations Officer
4. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2019 Regulatory Agenda and Update on ASRS Rulemaking Initiatives (*estimated time: 5 minutes*).....
..... Ms. Jessica Thomas

5. 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

6. Presentation, Discussion, and Appropriate Action Regarding Independent Reporting, Monitoring, and Oversight (*estimated time: 20 minutes*) Mr. Allan Martin
Partner, NEPC

7. Presentation, Discussion, and Appropriate Action Regarding the ASRS' Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2018 (*estimated time: 20 minutes*).....
..... Mr. Jason Ostroski, CPA
Audit Manager, CliftonLarsonAllen

8. Presentation, Discussion, and Appropriate Action Regarding a Correction of the Minutes of the October 27, 2017 Public Meeting of the ASRS Board (*estimated time: 1 minute*)
..... Mr. Paul Matson

9. Presentation, Discussion, and Appropriate Action Regarding the application dates of the 2017 ASRS Experience Study (*estimated time: 5 minutes*)..... Mr. Paul Matson

10. Presentation, Discussion, and Appropriate Action Regarding the ASRS Actuarial Valuations (*estimated time: 60 minutes*)
 - a. The Pension Plan and Health Insurance Valuation
 - b. The System Valuation
 - c. The Long Term Disability (LTD) Valuation
 - d. Actuary's Recommendation Regarding 13th Checks for Retired System Members..... Mr. Paul Matson
..... Mr. Ryan Falls
Actuary, Gabriel, Roeder, Smith & Company
..... Mr. Paul Wood
Consultant, Gabriel, Roeder, Smith & Company

11. Presentation, Discussion and Appropriate Action Regarding the 2019 Board Meeting Calendar (*estimated time: 5 minutes*) Mr. Paul Matson

12. Presentation, Discussion, and Appropriate Action Regarding the ASRS Internal Board Per Diem Compensation and Reimbursement Policy (estimated time: 5 minutes)
..... Mr. Paul Matson

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

14. Presentation and Discussion Regarding Informational Updates from Prior and Upcoming Committee Meetings (estimated time: 15 minutes)
 - a. Operations, Audit and Legislative Committee (OALC) Mr. Jim Hillyard, Chair
..... Mr. Anthony Guarino
The next OALC Meeting will be held on January 9, 2019.
 - b. Investment Committee (IC)..... Mr. Clark Partridge, Chair
..... Mr. Karl Polen
The next IC Meeting is scheduled for December 14, 2018.
 - c. Appeals Committee (AC)..... Mr. Kevin McCarthy, Chair
..... Mr. Anthony Guarino
The next AC Meeting is scheduled for December 11, 2018.

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

16. 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.

17. The next regular public ASRS Board meeting is scheduled for Friday, December 7, 2018, at 8:30 a.m., at 3300 N. Central Avenue, in the 10th Floor Board Room, Phoenix, Arizona.

18. 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 November 2, 2018

ARIZONA STATE RETIREMENT SYSTEM

Signed Copy on File

Joyce Williams
Board Administrator

Signed Copy on File

Paul Matson
Director