PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING

January 20, 2016

AGENDA

The Meeting of the Board of Trustees of the Public Safety Personnel Retirement System (the “PSPRS” or “System”) will be held in the main public conference room of the administrative offices of PSPRS, 3010 East Camelback Road, Suite 200, Phoenix, Arizona 85016, commencing at 1:00 p.m. on Wednesday, January 20, 2016. The meeting will continue until 5:00 p.m. or until the matters set forth in this agenda are otherwise addressed. Members of the Board of Trustees will attend either in person or by telephonic conference call. The Board of Trustees may vote to hold an executive session, which will not be open to the public, to discuss certain matters. The Board of Trustees reserves the right to consider agenda items out of their listed order.

This meeting is available to the public through “Go to Meeting” over the Internet or in person. Please see www.psprs.com for the computer link to the meeting. All persons wishing to attend are invited.

1. Call to Order; Roll Call; Opening remarks
   Mr. Brian P. Tobin
   Chairman

2. Call to the Public.
   This is the time for the public to comment. Members of the Board of Trustees may not discuss items that are not specifically identified on the agenda, except to address criticism from the public. Therefore, pursuant to A.R.S. § 38-431.01(H), the Board of Trustees’ reaction to any public comment is limited to addressing criticism or recommending that the Board of Trustees or Staff respond or study such comment or schedule the subject matter for further consideration at a later date after appropriate notice.

3. Appropriate Action for approval of the items on the Consent Agenda (documentation concerning the matters on the consent agenda may be reviewed at the PSPRS office). Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed as a regular agenda item upon the request of any member of the Board of Trustees.
   c. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Juanita Burton.
   d. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Glenn Gill.
e. Acceptance of Elected Officials’ Retirement Plan of survivor benefit of Sandra Gill.


g. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of George D. Gradillas.

h. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Lillian Hall.

i. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Barbara Hink.


k. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Sandra W. McFate.


m. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Sandra W. McFate.


r. Acceptance of Elected Officials’ Retirement Plan of early retirement benefit of Linda Lee Morrow.


z. Acceptance of Transfer Between State Retirement Systems of Andrew Whiteneck.

aa. Acceptance of Transfer Between State Retirement Systems of Shawn Hanson.

bb. Acceptance of Transfer Between State Retirement Systems of Michael Johnston.

c. Acceptance of Transfer Between State Retirement Systems of Ernesto Lugo.

dd. Acceptance of Transfer Between State Retirement Systems of Jose Gaxiola.

ee. Acceptance of Transfer Between State Retirement Systems of Kari Dory.


gg. Acceptance of Transfer Between State Retirement Systems of Randall Roether.

hh. Acceptance of Transfer Between State Retirement Systems of David Holland.


jj. Acceptance of Transfer Between State Retirement Systems of James Parr.

kk. Acceptance of Transfer Between State Retirement Systems of Eric Breindl.

ll. Acceptance of Transfer Between State Retirement Systems of Clifford Freeman.

mm. Acceptance of Transfer Between State Retirement Systems of Kelly McMenemy.

nn. Acceptance of Transfer Between State Retirement Systems of Jacob Pedersen.

oo. Acceptance of Transfer Between State Retirement Systems of Ramona Means.


qq. Acceptance of Transfer Between State Retirement Systems of Kevin Tilley.

rr. Acceptance of Transfer Between State Retirement Systems of Christopher Hall.

ss. Acceptance of Transfer Between State Retirement Systems of Elaine Bates.

tt. Acceptance of Transfer Between State Retirement Systems of Keith Kaminski.

uu. Acceptance of Transfer Between State Retirement Systems of Michael Long.

vv. Acceptance of Transfer Between State Retirement Systems of Robert Shetler.

ww. Acceptance of Transfer Between State Retirement Systems of Paul Bartholomew.

yy. Acceptance of Transfer Between State Retirement Systems of Ramon Lopez.

zz. Acceptance of Transfer Between State Retirement Systems of Daniel Musselman.


bbb. Acceptance of Transfer Between State Retirement Systems of Roy Dominguez.


ddd. Acceptance of Transfer Between State Retirement Systems of Eryn Hover.

eee. Acceptance of Transfer Between State Retirement Systems of Eric Mendoza.

fff. Acceptance of Transfer Between State Retirement Systems of Trent Otis.

ggg. Acceptance of Transfer Between State Retirement Systems of Cheryl Horvath.

hhh. Acceptance of Transfer Between State Retirement Systems of Billy McDaniel.

iii. Acceptance of Transfer Between State Retirement Systems of Harry Reiter.

jjj. Acceptance of Transfer Between State Retirement Systems of David Havely.

kkk. Acceptance of Transfer Between State Retirement Systems of Robert Benham.

lll. Approval of the Minutes of the November 18, 2015 Meeting of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

4. Discussion and possible Action regarding the adoption of the amended and restated Supplemental Defined Contribution Plan and the Arizona Defined Contribution Plan for Term Limited State Officials and Exempt State Officers and Employees.

Mr. Jared A. Smout
Administrator

5. Appropriate Action regarding the Agreement to participate in the Supplemental Defined Contribution Plan with the City of Cottonwood.

Mr. Brian P. Tobin

Report by Mr. Lauren Kingry, Chairman of the Investment Committee, regarding agenda items 6. through 12., which were discussed at the Investment Committee meeting held today, January 20, 2016, on or after 10:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.
6. Written report and possible discussion of monthly review of Management Fees.
   
   Ms. Bridget Feeley  
   Internal Audit and Compliance Officer

7. Written report and possible discussion by the System's Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions, as of November 30, 2015.
   
   Ms. Bridget Feeley

8. Written report by Investment Department Staff regarding Portfolio Risk as of November 30, 2015.
   
   Mr. Owen Zhao  
   Portfolio Analyst - Risk

9. Written report by Investment Department Staff and discussion regarding (i) the Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of November 30, 2015; and (ii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.
   
   Ms. Vaida Maleckaitė  
   Sr. Investment Analyst

10. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for the Private Equity Portfolio.
    
    Mr. Shan Chen  
    Lead Portfolio Manager

    Mr. David Hutchings  
    Albourne America

    Mr. Jay Rose  
    StepStone Group, LLC

11. Disclosure by Investment Department Staff of the following manager selection matters:

   A. New and potential investments considered this period:

      1. A potential investment of up to $30 million in the Castle Creek Capital Partners VI Fund, allocated to the PSPRS Private Equity portfolio, subject to final Staff and legal due diligence.

      2. A potential investment of up to $40 million in the Lubert-Adler Laramar Urban Neighborhood Fund, allocated to the PSPRS Real Estate portfolio, subject to final Staff and legal due diligence.

      3. A potential investment of up to $50 million to establish a separately managed account (SMA) to be managed by Salient Capital Advisors, LLC, allocated to the PSPRS Real Assets portfolio, subject to final Staff and legal due diligence.

   B. Investments considered for de-selection this period:
1. Brevan Howard Master Fund, Ltd. Staff recommends full redemption of all investments. Estimated redemption completion date: October 31, 2016. This Fund is allocated to the PSPRS Absolute Return Portfolio.

2. Pebble Creek (Robson Communities); Staff recommends a sale of our interest in Pebble Creek Properties (Robson Communities). The fund is allocated to the PSPRS Real Estate Portfolio.

3. West Face Long Term Opportunities (USA), L.P. Staff recommends full redemption of all investments. This investment is allocated to the PSPRS Private Credit portfolio.

12. Disclosure of closed transactions for this period.
   a. Davidson Kempner Special Situations Fund III; Committed Amount up to $80 million; Date Closed: August 24, 2015; PSPRS Asset Class: Credit Opportunities.
   b. LSV Special Opportunities Fund V; Committed Amount up to $80 million; Date Closed: September 30, 2015. PSPRS Asset class: Absolute Return.
   c. Tritium I, LP Fund; Committed Amount up to $20 million direct; Date Closed: November 16, 2015. PSPRS Asset class: Private Equity.
   d. TSG 7A & 7B Fund; Committed Amount up to $40 million (TSG 7A) and $10 million (TSG 7B); Date Closed: November 16, 2015. PSPRS Asset class: Private Equity.
   e. Pinebridge Structured Capital III Fund; Committed Amount up to $80 million; Date Closed: November 25, 2015. PSPRS Asset class: Credit Opportunities.
   f. Lubert-Adler Laramar Urban Neighborhood Fund; Committed Amount up to $40 million; Date Closed: December 30, 2015. PSPRS Asset class: Real Estate.

Presentation by Mr. Gregory Ferguson, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 13. through 22., which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, January 20, 2016, on or after 11:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

13. Presentation of the Month-to-Date Budget Report for FY 2016 and possible Action on same.  
    
    Mr. John Hendricks  
    Manager of Finance and Accounting

14. Discussion and Action regarding the creation of a new Investment Analyst Position.  
    
    Mr. Mark Steed  
    Deputy CIO and Chief of Staff

15. Update and discussion on the status of building space and tenant lease.  
    
    Mr. Jared A. Smout

    
    Ms. Bridget Feeley
17. Summary Update – Business Continuity Plan
   Mr. Sam Meier  
   IT Operations Manager

18. Update on the progress of the Local Board Training Program and discussion and possible Action regarding the same.
   Mr. Robert Ortega  
   Local Board Training Coordinator and Human Resources Manager  
   Mr. Don Mineer  
   Local Board Training Specialist

19. Presentation of the "Requests for Local Board Rehearing" Report for the current month.
   Mr. Jared A. Smout

20. Review and discussion regarding law firms' billings for legal services performed in October, November and December, 2015.
   Mr. Jared A. Smout

21. Update and discussion on the progress of implementing the Auditor General recommendations as agreed to in their Performance Audit and Sunset Review.
   Mr. Jared A. Smout

22. Review, discussion and possible Action on potential legislative proposals for the 2016 legislative session including items for a possible administrative amendments bill.
   Mr. Jared A. Smout

   Mr. Corey Arvizu 
   Managing Partner  
   Mr. Christopher Heinfeld  
   Audit Manager  
   Heinfeld, Meech & Co., P.C

24. Discussion and appropriate Action regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.
   Mr. Brian P. Tobin

25. Discussion and consultation with legal counsel and Staff and possible Action regarding IRS determination letter requests, proposed legislation, investment matters, ongoing, contemplated or threatened legal action involving the Trust and Plans, including vendor disputes, public record requests, personnel matters and actual or potential litigation and claims based on contract, tort or statute, including matters involving, judges Thompson and Hall, retired judges Fields and Lankford, retired police officers Rappleyea and Everson, active police officers Parker, Griego, Manganelli and Robles, the Pivotal Group, the Seldins, Bank of America and Stroh Ranch Development and Timbervest. The Board may vote to discuss these matters in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(1), (2), (3), (4) and (7) as set forth in item 26.
The Board of Trustees may vote to go into Executive Session (which will not be open to the public) to discuss matters pursuant to A.R.S. §§ 38-431.03(A) (1), (2), (3) and (4), as applicable, including to receive legal advice from the Board’s attorneys on any matter listed on the agenda, including:

a. Discussion and consultation with legal counsel and Staff regarding matters arising from public record requests or subpoenas, and ongoing or threatened legal action or claims involving the Plans or Trust not otherwise referenced above in Item 24, including but not limited to, those involving Anton Orlich, Andrew Carriker, Ken Fields, Mark Selfridge, Paul Corens, the Seldins and the status of lawsuits challenging provisions of S. B. 1609, as authorized by A.R.S. §§ 38-431.03(A) (2), (3).

b. Update and discussion on the System Administrator position and other personnel matters, as authorized by A.R.S § 38-431.03(A)(1).

27. Schedule future meeting date(s). (Currently scheduled for Wednesday, February 24, 2016.)

28. Adjournment.

A copy of the agenda background material that is provided to the Board of Trustees (with the exception of materials relating to possible executive sessions and/or materials exempt by law from public inspection) is available for public inspection at the PSPRS offices located at 3010 East Camelback Road, Suite, 200, Phoenix, Arizona. The agenda is subject to revision up to 24 hours prior to the meeting.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Michelle Pechan, Paralegal, at (602) 255-5575. Requests should be made as early as possible to arrange the accommodation.