PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING

May 25, 2016

REVISED
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, May 25, 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.


   b. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Brian Bond.

   c. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Gail Buchanan.

   d. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of Robert B. Buchanan.

f. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Lee A. Gibson.

g. Acceptance of Elected Officials' Retirement Plan of termination of early retirement benefit of Robert J. Gibson.

h. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Barbara Goodfarb.

i. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of Stanley Z. Goodfarb.

j. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of Robert W. Harral, Jr.

k. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Nancy Harral.

l. Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Theresa Hungerford.

m. Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Gertrude Kipps.

n. Acceptance of Elected Officials' Retirement Plan of termination of early retirement benefit of Laura Knaperek.

o. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Robert Knaperek.


r. Acceptance of Elected Officials' Retirement Plan of death benefit for Stacey Lee Meier.


t. Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Mary Dell Pritzlaff.

u. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Loretta P. Shumway.

v. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of Peter D. Shumway.

w. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of H. Paul Smith.
x. Acceptance of Elected Officials' Retirement Plan of survivor benefit of Constance Uribe.
y. Acceptance of Transfer Between State Retirement Systems of Mark Timpf.
z. Acceptance of Transfer Between State Retirement Systems of Joe Lapre.
aa. Acceptance of Transfer Between State Retirement Systems of Marc Bennett.
bb. Acceptance of Transfer Between State Retirement Systems of Loretta Coffman.
cc. Acceptance of Transfer Between State Retirement Systems of Frank Pace.
dd. Acceptance of Transfer Between State Retirement Systems of Nicholas Adams.
e. Acceptance of Transfer Between State Retirement Systems of Anthony Brokaw.
ff. Acceptance of Transfer Between State Retirement Systems of Hector Figueroa.
gg. Acceptance of Transfer Between State Retirement Systems of Dylan Ansell.
hh. Acceptance of Transfer Between State Retirement Systems of David Schwartz.
i. Acceptance of Transfer Between State Retirement Systems of Eric Breindl.
jj. Acceptance of Transfer Between State Retirement Systems of Shalamar Titone-Jones.
k. Acceptance of Transfer Between State Retirement Systems of Dustin Taylor.
l. Acceptance of Transfer Between State Retirement Systems of Delia Neal.
m. Acceptance of Transfer Between State Retirement Systems of Deron Miller.
n.n. Acceptance of Transfer Between State Retirement Systems of Rachael Dales.
oo. Acceptance of Transfer Between State Retirement Systems of Guy Sularz.
qq. Acceptance of Transfer Between State Retirement Systems of John Yeoman.
r. Acceptance of Transfer Between State Retirement Systems of Eunice Garcia.
ss. Acceptance of Transfer Between State Retirement Systems of Paul Matson.
uu. Acceptance of Transfer Between State Retirement Systems of Matthew Cox.
Acceptance of Transfer Between State Retirement Systems of Timothy Duffy.

Acceptance of Transfer Between State Retirement Systems of Amanda Faulkner.

Acceptance of Transfer Between State Retirement Systems of Christy Calderon.

Acceptance of Transfer Between State Retirement Systems of Jeffrey Eccles.

Acceptance of Transfer Between State Retirement Systems of Michael McCasland.

Acceptance of Transfer Between State Retirement Systems of Alex Mers.

Acceptance of Transfer Between State Retirement Systems of Laura Truett.

Acceptance of Transfer Between State Retirement Systems of Ashley Roche.

Acceptance of Transfer Between State Retirement Systems of Donald Gilbreth.

Acceptance of Transfer Between State Retirement Systems of Julie Egea.

Acceptance of Transfer Between State Retirement Systems of Lawrence Wharton.

Acceptance of Transfer Between State Retirement Systems of Warren Poole.

Acceptance of Transfer Between State Retirement Systems of Jeremy Cullum.

Acceptance of Transfer Between State Retirement Systems of Alan Zagorski.

Approval of the Minutes of the March 23, 2016 Meeting of the PSPRS Board of Trustees and May 10, 2016 Special Meeting of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

4. Appropriate Action regarding the approval of the Joinder Agreement with the Mountain Vista Fire District; and approval of the Applications for Membership Waiver of participation.

Mr. Brian P. Tobin

5. Appropriate Action regarding the Agreement to participate in the Supplemental Defined Contribution Plan with the Central Arizona Fire and Medical Authority.

Mr. Brian P. Tobin

Report by Mr. Richard Petrenka, Chairman of the Investment Committee, regarding agenda items 6. through 15., which were discussed at the Investment Committee meeting held today, May 25, 2016, on or after 11:00 a.m., and possible Action on the Committee's recommendations to the Board regarding same.

6. Appointment of Investment Committee Vice-Chairman for remainder of fiscal year.

Mr. Richard Petrenka

Ms. Bridget Feeley
Internal Audit and Compliance Officer

8. Report by the System’s Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions, for months ending February 29, 2016 and March 31, 2016.

Ms. Bridget Feeley

9. Discussion and possible Action to amend the consulting agreement with NEPC to include additional duties and fees.

Mr. Ryan Parham
Assistant Administrator and CIO
Mr. Allan Martin
NEPC

10. Presentation and discussion by Staff and NEPC representatives on the (i) 3rd Fiscal Quarter (1st Calendar Quarter) investment performance and the 2016 Fiscal Year investment performance for the Arizona PSPRS Trust; (ii) the Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of March 31, 2016; and (iii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.

Mr. Ryan Parham
Mr. Martin Anderson
Deputy Chief Investment Officer
Mr. Allan Martin


Mr. Jim Keeler
Nationwide Retirement Solutions

12. Presentation and report by Investment Department Staff regarding Portfolio Risk as of March 31, 2016.

Mr. Owen Zhao
Portfolio Analyst - Risk

13. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for the Fixed Income and Credit Opportunities portfolios.

Mr. Mark Steed
Deputy Chief Investment Officer &
Chief of Staff
Mr. Allan Martin

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

A. New and potential investments considered this period:
1. Disclosure of a potential investment of up to $75,000,000 for purposes of investment with **SJC Direct Lending Fund III, GP**, in the Credit Opportunities portfolio, subject to final Staff and legal due diligence.

2. Disclosure of a potential investment of up to $60,000,000 direct and a reserve allocation of up to $20,000,000 for purposes of co-investment with **Rubenstein Properties Fund III, L.P.**, in the Real Estate portfolio, subject to final Staff and legal due diligence.

3. Disclosure of a potential investment of up to $10,000,000 for purposes of an increase in investment with **Iguazu Partners, LP**, in the Fixed Income portfolio, subject to final Staff and legal due diligence.

4. Disclosure of a potential investment of up to $70,000,000 for purposes of investment with **Freeport First Lien Loan Fund III**, in the Credit Opportunities portfolio, subject to final Staff and legal due diligence.

5. Disclosure of a potential investment of up to $70,000,000 for purposes of investment with **Northern Shipping Fund III**, in the Credit Opportunities portfolio, subject to final Staff and legal due diligence.

6. Disclosure of a potential investment of up to $75,000,000 for purposes of investment with **Crestline Opportunity Fund III**, in the Credit Opportunities portfolio, subject to final Staff and legal due diligence.

B. Disclosure of terminated transactions for this period:

1. None.

C. Disclosure of closed transactions for this period:

1. **Castle Creek Capital Partners VI;** Asset Class: Private Equity Portfolio; Date Closed: 02/10/2016.

2. **Berkshire Fund IX-A, L.P.;** Asset Class: Private Equity Portfolio; Date Closed: 03/17/2016.


4. **Iguazu Partners, LP;** Asset Class: Fixed Income; Date Closed: 04/25/2016.

5. **Salient Capital Partners - Salient Risk Parity Delta-Rho-Q;** Asset Class: Risk Parity Portfolio; Date Closed: 05/02/2016.

D. Current investments considered for de-selection this period:

1. **Apollo VII Fund;** Sale of L.P. interest; Date Closed: 03/31/2016. This investment was allocated to PSPRS Asset Class: Private Equity.
2. **Blackstone V, BCPV-AC Fund**: Sale of L.P. interest; Date Closed: 03/31/2016. This investment was allocated to PSPRS Asset Class: Private Equity.

3. **Franklin Templeton Emerging Markets Debt Opportunities Fund**: Redemption requested: 03/31/2016; This investment was allocated to PSPRS Asset Class: Fixed Income.

4. **Gracie Zona, LP**: Redemption Requested: 04/01/2016; This investment was allocated to PSPRS Asset Class: Fixed Income.

**Disclosure of completed transactions for this period:**

1. **Apollo VII Fund**: Sale of L.P. interest; Date Closed: 03/31/2016. This investment was allocated to PSPRS Asset Class: Private Equity.

2. **Blackstone V, BCPV-AC Fund**: Sale of L.P. interest; Date Closed: 03/31/2016. This investment is allocated to PSPRS Asset Class: Private Equity.

15. Discussion and possible **Action** regarding adoption of minor clarification revisions to the PSPRS Investment Policy Statement.

   Jennifer Eichholz, Esq.
   Ivy Voss, Esq.
   Assistant Attorney General

**Presentation by Mr. Gregory Ferguson, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 16. through 25., which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, May 25, 2016, on or after 11:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.**

16. Presentation of the Month-to-Date Budget Report for FY 2016 and possible **Action** on same.

   Mr. John Hendricks
   Manager of Finance and Accounting

17. 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

18. Presentation of the "Requests for Local Board Rehearing" Report for the current month.

   Mr. Jared A. Smout

19. Review and discussion regarding law firms' billings for legal services performed in March and April, 2016.

   Mr. Jared A. Smout


   Ms. Bridget Feeley
21. Discussion and possible Action regarding changes to the PSPRS organizational structure.
   Mr. Jared A. Smout

22. Presentation, discussion and possible Action regarding the renewal of fiscal 2016-2017 contracts for various services.
    Mr. Jared A. Smout

23. Review, discussion and possible Action with respect to the FY 2017 PSPRS Administrative Budget.
    Mr. Jared A. Smout

24. Review, discussion and possible Action on pending and passed legislative proposals for the 2016 legislative session including an administrative amendment bill.
    Mr. Jared A. Smout

25. Update, discussion and possible Action on pension reform initiatives and implementation timeline.
    Mr. Jared A. Smout

26. Presentation and discussion by the Plan's actuaries, including possible action to approve, disapprove or modify the Assumed Earnings Rate for the fiscal year beginning July 1, 2016 and/or other actuarial matters.
    Mr. Mark Buis, FSA, FCA, EA, MAAA
    Senior Consultant
    Mr. James D. Anderson, FSA, EA, MAAA
    Senior Consultant
    Mr. Francois Pieterse, A.S.A, M.A.A.A.
    Consultant
    Gabriel, Roeder, Smith & Company

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

28. 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, Manganiello and Robles, the Pivotal Group, 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 29.

29. 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 28., including but not limited to, those involving Ken Fields 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 personnel matters, as authorized by A.R.S § 38-431.03(A)(1).

30. Schedule future meeting date(s). *(Currently scheduled for Wednesday, June 15, 2016.)*

31. 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.