PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING  

August 27, 2014  

MINUTES  

Present:  
Mr. Brian Tobin, Chairman, Trustee  
Mr. Gregory Ferguson, Vice Chairman, Trustee  
Mr. Jeff McHenry, Trustee  
Ms. Randie Stein, Trustee.  
Mr. Richard Petrenka, Trustee  
Mr. Lauren Kingry, Trustee  
Mr. William Davis, Trustee  

Others Present:  
Mr. Jared Smout, Deputy Administrator  
Mr. Ryan Parham, Chief Investment Officer  
Mr. Marty Anderson, Deputy Chief Investment Officer  
Ms. Ivy Voss, Assistant Attorney General  
Mr. Shan Chen, Lead Portfolio Manager  
Mr. Mark Steed, Lead Portfolio Manager and Chief of Staff  
Ms. Vaida Maleckaite, Investment Operations Analyst  
Mr. Mark Lundin, Deputy Chief Investment Officer  
Ms. Leslie Clark, Senior Financial Accountant/Great Plains DBA  
Mr. Marc Lieberman, Fiduciary Counsel, Kutak Rock  
Mr. Allan Martin, Partner, NEPC, LLC  
Ms. Bridget Feeley, Internal Audit and Compliance Officer  
Ms. Jennifer Eichholz, In-House Investment Counsel  
Mr. Sean Callahan, Accounting-Investments  
Ms. Susan Lawrence, Executive Recruiter, ADOA  
Mr. Jim Keeler, Program Director, Nationwide  

1. Call to Order; Roll Call; Opening remarks  
   
   Chairman Tobin called the meeting to order at 1:05 p.m. He expressed condolences on behalf of the Board to the family of Chester Crandall who died August 4, 2014.  

   Mr. Smout stated PSPRS has received the results of the Arizona Department of Administration (ADOA) Employee Engagement Survey which ranks PSPRS employee satisfaction in the world class category with the ratio of engaged to disengaged employees at 12.3 to 1 and a 65% response rate despite the negative attention received over the past year.  

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.

There was no response to the Call to the Public.

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.

a. Acceptance of Elected Officials’ Retirement Plan of termination of survivor retirement benefit of Dorothy Arnold.
e. Acceptance of Elected Officials’ Retirement Plan of survivor retirement benefit of Alice Crandell.
f. Acceptance of Elected Officials’ Retirement Plan of termination of guardian benefit of Thomas Dorgan.
g. Acceptance of Elected Officials’ Retirement Plan of early retirement benefit of Robert E. Eck, Jr.
i. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Gladys Gardner.
j. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Barbara Hamner.
k. Acceptance of Elected Officials’ Retirement Plan of termination of survivor retirement benefit of Jerry Hanger.
l. Acceptance of Elected Officials’ Retirement Plan of early retirement benefit of Cynthia Lukas.
m. Acceptance of Elected Officials’ Retirement Plan of survivor retirement benefit of Arthur Markham.
n. Acceptance of Elected Officials’ Retirement Plan of termination of survivor retirement benefit of Marian Stapley.
o. Acceptance of Elected Officials’ Retirement Plan of termination of survivor retirement benefit of Doris E. Wedepohl.
p. Acceptance of Transfer Between State Retirement Systems of Teresa Vangelder.
q. Acceptance of Transfer Between State Retirement Systems of Douglas Whittaker.
Acceptance of Transfer Between State Retirement Systems of David Dager.
Acceptance of Transfer Between State Retirement Systems of Fredrick Sweet.
Acceptance of Transfer Between State Retirement Systems of Octavio Barcelo.
Acceptance of Transfer Between State Retirement Systems of John Gardiner.
Acceptance of Transfer Between State Retirement Systems of Zakary Parker.
Acceptance of Transfer Between State Retirement Systems of James Stalnaker.
Acceptance of Transfer Between State Retirement Systems of Daniel Weaver.
Acceptance of Transfer Between State Retirement Systems of Christopher Gregor.
Acceptance of Transfer Between State Retirement Systems of Donald Briese.
Acceptance of Transfer Between State Retirement Systems of Keith Crouse.
Acceptance of Transfer Between State Retirement Systems of Mark Boulanger.
Acceptance of Transfer Between State Retirement Systems of Robert Story.
Acceptance of Transfer Between State Retirement Systems of Woodie Smith.
Acceptance of Transfer Between State Retirement Systems of William Magill.
Acceptance of Transfer Between State Retirement Systems of Timothy Ballentiney.
Acceptance of Transfer Between State Retirement Systems of Douglas Santiago.
Acceptance of Transfer Between State Retirement Systems of Keneth McCulloch.
Acceptance of Transfer Between State Retirement Systems of Paul Matson.
Acceptance of Transfer Between State Retirement Systems of Pamela Miller.
Acceptance of Transfer Between State Retirement Systems of Jon Corey.
Acceptance of Transfer Between State Retirement Systems of M. Wes Jacobsen.
Acceptance of Transfer Between State Retirement Systems of Robert Durka.
Acceptance of Transfer Between State Retirement Systems of Charles Williamson.

MOTION: 1 – 8/27/14
Motion: At 1:13 p.m.
To approve the Consent Agenda as presented.
Moved by: Mr. Ferguson
Seconded by: Mr. Kingry
Discussion: None
In Favor: Unanimous
Motion: Passes

4. Appropriate Action regarding the Minutes of the June 25, July 11 and August 11, 2014 Regular and Special Meetings of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

MOTION: 2 – 8/27/14
Motion: At 1:14 p.m.
To approve the Minutes of the June 25, July 11 and August 11, 2014 Regular and Special Meetings of the PSPRS Board of Trustees as presented.
Moved by: Mr. Ferguson
Seconded by: Mr. Davis
Discussion: None
In Favor: Unanimous
Motion: Passes
Report by Mr. Richard Petrenka, Chairman of the Investment Committee, regarding agenda items 5. through 16., which were discussed at the Investment Committee meeting held today, August 27, 2014, on or after 10:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

5. Introduction by Investment Department Staff of Ms. Jennifer Eichholz, who has recently joined the System as In-House Investment Counsel and Mr. Sean Callahan, who has recently joined the System as Accounting - Investments.

   Mr. Ryan Parham  
   Chief Investment Officer  
   Ms. Jennifer Eichholz  
   In-House Investment Counsel  
   Mr. Sean Callahan  
   Accounting-Investments

Ms. Eichholz and Mr. Callahan summarized their backgrounds regarding education and past experience.

6. Report by Investment Department Staff and discussion regarding (i) the Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of June 30, 2014, including a semiannual report on securities lending program; and (ii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program as of June 30, 2014.

   Ms. Vaida Maleckaite  
   Sr. Investment Operations Analyst

The Trust returns as of June 30, 2014 increased by .78% versus 1.27% for the benchmark. The Private Equity and Real Estate asset classes had disappointing results whereas Credit Opportunities, Absolute Return and GTAA delivered good results. For the three month results, the returns were up 3.11% as compared to the benchmark of 3.10% due to strong Credit Opportunities, Absolute Return and GTAA results. The Fiscal Year-to-Date return was 13.82%.

Mr. Parham stated we are moving away from small cap equity and the international equity portfolio has been recently restructured but the changes have not yet resulted from the restructuring.


   Mr. Mark Lundin  
   Deputy Chief Investment Officer – Risk

Since the report regarding Portfolio Risk as of August 15, 2014 was presented during the Investment Committee Meeting this morning, there was no request to repeat it during the Board Meeting.

   Agenda Items 8-13 - During the Investment Committee Meeting this was informational only.
8. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $30 million in the Charlesbank Fund VIII, or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Shan Chen
   Lead Portfolio Manager

9. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $50 million direct and $20 million in potential co-investment to the Orion Mine Finance Fund I, or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Marty Anderson
   Deputy Chief Investment Officer

10. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $50 million direct and $50 million in potential co-investments to the Melody Capital Partners Onshore Credit Fund, L.P., or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Mark Steed
   Lead Portfolio Manager

11. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $75 million to the Davidson Kempner Special Opportunities Fund II, or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Mark Steed

12. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $20 million in the Baring Asia Private Equity Fund VI, LP, or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Shan Chen

13. Manager Selection Report by Investment Department Staff and possible discussion regarding a commitment of up to $40 million direct and $20 million in potential co-investments to the Iron Point Real Estate Partners III fund or appropriate feeders, blockers or associated or parallel funds of same, subject to final Staff and legal due diligence.

   Mr. Marty Anderson

14. Report by the Chief Investment Officer regarding Manager Selections for which Staff has completed legal and other due diligence.

   Mr. Ryan Parham

This was presented during the Investment Committee Meeting and there were no questions from the members of the board.

15. Discussion and possible Action by the Investment Department regarding the Amended and Restated Statement of Investment Policy and Asset Allocation.

   Mr. Ryan Parham
16. Discussion and possible Action by the Investment Department regarding the revised Fire Fighter and Peace Officer Cancer Insurance Plan Investment Policy and Asset Allocation.

Mr. Ryan Parham

This refers to the proposed Appendix XV relating to the Fire Fighter and Peace Officer Cancer Insurance Plan Investment Policy and Asset Allocation to incorporate the asset allocation into the investment policy statement.

| MOTION: 3 – 8/27/14 | Motion: | At 8/27/14
| Moved by: | To adopt Appendix XV into the Fire Fighter and Peace Officer Cancer Insurance Plan Investment Policy and Asset Allocation.
| Seconded by: | Mr. Petrenka
| Discussion: | Mr. Ferguson said the safety of the funds is more important than raising the risk of the cancer portfolio with asset allocations. It is an insurance program. Mr. Parham stated the goal is to stay as safe as possible and that the actuaries have said it is a young program and difficult to model. The asset allocation has been on hold for several years regarding this $22 million portfolio. In Appendix XV we need liquidity and safety at low cost. There is not enough information for good precision. This was approved by the Board at the last meeting. Mr. Lieberman said we need a special appendix with policy related to this portfolio. It was decided to hold action on this item until the next monthly meeting or later in the day since Appendix XV was not distributed to the Board. The asset allocation was approved, but waiting to see the amended XV with applicable language.

In Favor: Motion: | Motion was withdrawn.

| MOTION: 6 – 8/27/14 | Motion: | At 5:35 p.m.
| Moved by: | To approve the addition of Appendix XV to the Investment Policy.
| Seconded by: | Mr. Ferguson
| Discussion: | None
| In Favor: | Unanimous
| Motion: | Passes

17. Report by NEPC representative(s) on the fourth Fiscal Quarter (Second Calendar Quarter) investment performance for the PSPRS Trust.

Mr. Allan Martin, Partner
NEPC, LLC
The report included positives and negatives of the economic market environment, equity valuations trending above long-term averages and there was discussion related to inflation, job growth and future outlook.

Over the last twelve months the Fund surpassed 7.85% assumed rate of return with a 13.8% return. For the past three years the return has been 8.1% per annum and over the last five years performance has equaled 11.2%. As of June 30, 2014 the value of the portfolio was $8,127,506,488. Discussion included asset allocation versus targets, risk and return. Due to lower risk of the portfolio, it has earned less than the median public fund.

18. Presentation by a Lubert-Adler representative regarding an update of the Real Estate Market.

Mr. Dean Adler
CEO and Co-Founder
Lubert-Adler Partners, L.P.

Agenda item 18 was tabled for a later meeting.


Mr. Jim Keeler, Program Director
Nationwide

Mr. Keeler stated the Elected Officials Defined Contribution System began January 2, 2014 and it has $7,242 of assets and two members. There will be more candidates post election time. Nationwide has converted the old record system to a new record system with more robust reporting regarding quarterly updates.

20. Report by the System’s Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions as of June 30, 2014.

Ms. Bridget Feeley
Internal Audit and Compliance Officer

As of June 30, 2014 we are in compliance with the guidelines.

Presentation by Mr. Gregory Ferguson, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 21. through 27., which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, August 27, 2014, on or after 11:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

21. Presentation of the Month-to-Date Budget Report for FY 2015 and possible Action on same.

Mr. John Hendricks
Manager of Finance and Accounting

For the first month of the fiscal year, we are over $45,000 due to legal costs but we anticipate a drop of costs with the in-house investment counsel.
22. 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

In addition to the written report, the Local Board Training Program staff will conduct a webinar for the Local Boards regarding proper completion of retirement paperwork.

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

Mr. Jared A. Smout
Deputy Administrator

The one outstanding request for rehearing has been resolved.

24. Review and discussion regarding law firms' billings for legal services performed in June and July, 2014.

Mr. Jared A. Smout

The Operations, Governance Policy and Audit Committee approved payment of the July legal bill of $202,748.28 and the June legal bill of $235,434.52.

<table>
<thead>
<tr>
<th>Month</th>
<th>Administrative expenses</th>
<th>~</th>
<th>$55,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment expenses</td>
<td>~</td>
<td>$96,000</td>
</tr>
<tr>
<td></td>
<td>Litigation expenses</td>
<td>~</td>
<td>$52,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Administrative expenses</th>
<th>~</th>
<th>$61,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment expenses</td>
<td>~</td>
<td>$98,000</td>
</tr>
<tr>
<td></td>
<td>Litigation expenses</td>
<td>~</td>
<td>$76,000</td>
</tr>
</tbody>
</table>

Ms. Stein questioned the legal bill for the June investment expenses category related to the municipal advisor rule. Mr. Lieberman replied that following a question from Mr. Parham regarding letters from investment managers that they want PSPRS to avow that the contributions we have made to our investment partnerships do not constitute the proceeds of municipal securities and if they are, then we will force you to divest from our fund and if you avow you are not, then you are responsible if the SEC finds that you are.

Mr. Lieberman continued and stated that in studying the municipal advisor rule, the decision of whether or not our contributions constitute the proceeds of municipal securities was not easy. As a result, we called the SEC and tried to get a determination from them but we were not successful. After sending a query to the National Organization of Pension Lawyers, nobody really knew the answer. We informed Mr. Parham that it was thought we need to request a No Action Letter from the SEC whether or not our contributions to our investment managers constitutes the proceeds of municipal securities and due to the lack of clarity regarding the rule, a No Action Letter is essentially an opinion from PSPRS to the SEC to the effect that we do not think our
contributions qualify as the proceeds of municipal securities. Mr. Parham authorized that. Whenever we get these requests from our managers, I can now say I do not know if our contributions are proceeds of municipal securities and we await the decision of the SEC.

We are one of the few plans that are protected in the nation when we cite our No Action Request and think we cannot be responsible for any decision that ensues from the SEC since, in good faith we asked them for a determination.

Mr. Ferguson stated that the June legal bill will be given to the board members upon their request since it was inadvertently omitted from their information.

   *Ms. Bridget Feeley*

   This is a new fiscal year so there are no changes in the audit plan. The review of accounts payable have been finalized and now staff travel and reimbursements are being reviewed.

26. Written update from managers on the operations of their departments and discussion and possible **Action** regarding same.
   *Mr. Jared A. Smout*

   This was a written report.

27. Discussion with Staff and possible **Action** regarding future proposed legislation.
   *Mr. Jared A. Smout*

   The only legislation being considered right now is language requested by the IRS to bring our plans into conformance at the conclusion of their review for updated determination letters. Additionally, due to a request from Mr. Smout, Mr. Lieberman has researched what happens when employers stop paying their contributions to the System. Mr. Lieberman has developed a couple of legislative proposals and will present them to the staff.

28. Discussion and possible **Action** on setting policies in regards to the use of employment agreements.
   *Mr. Brian P. Tobin*

   At this time no employment agreements are up for renewals or extensions. Mr. Tobin asked for opinions and will move this to the Operations Committee to set guidelines, recommend policy and how to manage policy. He asked for a summary of contracts that are in place and for the details of each one.

29. Discussion with a representative from the Arizona Department of Administration and possible **Action** concerning the process to select the next System Administrator.
   *Mr. Brian P. Tobin*
Ms. Susan Lawrence, ADOA Executive Recruiter, discussed the process for selection of an administrator. Ms. Lawrence stated she had reviewed the statutes, PSPRS can choose to have ADOA conduct the full search or can select from a menu of options for ADOA’s assistance in the selection for an administrator. The first step would be to choose a selection committee and to develop a job description. The selection committee or the board can then meet with Ms. Lawrence and discuss advertising options. Then resumes are reviewed and entered into a matrix in order to compare with the job description for the committee or the Board to determine which candidates to interview.

Interview questions will be developed, references will be checked and then the candidates will be selected for final interviews. The finalists will be presented to the full board and/or the selection committee. The top candidate will be given a verbal offer developed with the board, and with the assistance of the Office of the Attorney General and ADOA and then it will then be stated in writing.

The members of the board then asked questions regarding the background of Ms. Lawrence. They inquired if ADOA ever used outside recruitment firms simultaneously at the same time and Ms. Lawrence responded negatively. Retained searches are very expensive. A review of the costs for ADOA to do the search was held. Mr. Ferguson said we are different from other state agencies. He is bothered by the last line of the “Executive Recruitment Overview” provided by Ms. Laurence wherein it states the offer letter needs to be approved by ADOA. Her response was that prior to any final agreement this needs to be run though ADOA as part of their consulting. PSPRS will do the background checks and Mr. Lieberman added that we have Governor approval to conduct our own background checks.

Mr. Lieberman stated we would want approval to advertise through specialized publications and organizations which we would share with ADOA and we would redirect responses to the state website. We will provide the list to ADOA and replies would come into one central place.

Chairman Tobin said he had already spoken to Mr. Kingry to chair the Selection Committee comprised of Mr. McHenry, Mr. Tobin and some staff members. Timeframe in general was discussed and once the process begins, a timeline can then be developed. A draft job description must be developed as quickly as possible.

Mr. Allan Martin of NEPC inquired about the inventories from prior searches and use of external recruitment firms. ADOA does not have a pipeline because this is a very specialized position, but one must weigh the costs of using outside firms. Mr. Tobin said we need to look at solely using ADOA or other firms for assistance. Mr. Ferguson stated recruitment firms have a pool of people looking for jobs.

30. Discussion and possible Action regarding an Agreement with the Arizona Department of Administration.

Mr. Brian P. Tobin
At the last meeting the Board gave authority to the Chairman to negotiate a Memorandum of Understanding (MOU) with ADOA and to discuss with the Board the results of the Chairman's labor. His report indicated that Line 20 regarding the term of the agreement and Line 16 regarding the search for an Administrator were changed. The final agreement requires Board approval.

**MOTION: 5 – 8/27/14**

At 5:12 p.m.

**Motion:** To approve the Memorandum of Understanding as written called “Possible Final 8/25/14”.

**Moved by:** Mr. Petrenka

**Seconded by:** Mr. Kingry

**Discussion:** Mr. Ferguson said he appreciates the time and effort spent on this endeavor, but I find myself in a position that I cannot support this because of the stipulation that we have to pay ADOA for services rendered because I believe that according to statutes, we are bound for the money that comes into this Trust and it is for two purposes only: the benefit of retirees and also to administer the System and with everything in that agreement, we can administer here and we currently are. I don’t think we have the legal authority to do it.

**In Favor:** 2 opposed; 5 in favor

**Motion:** Passes

31. Discussion and appropriate **Action** regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.

*Mr. Brian P. Tobin*

**MOTION: 7 – 8/27/14**

At 5:38 p.m.

**Motion:** To place the Opal Conference regarding fiduciary responsibilities and trustees on to the approved list of training, educational and due diligence opportunities.

**Moved by:** Mr. Ferguson

**Seconded by:** Mr. Davis

**Discussion:** None

**In Favor:** Unanimous

**Motion:** Passes

32. 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, internal investigations (including those arising from UNITE HERE!’s allegations concerning ORG Portfolio Management) 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, Jack Cross, Anton Orlich, the Pivotal Group, the Seldins, Stroh
Ranch Development, Timbervest, Jennifer Wright, Desert Troon Companies, the Arizona Republic, Judicial Watch, Crain Publications (Pensions and Investments Magazine), Mark Selfridge, Paul Corens, Stacy Alcott, and Michele Weigand, as well as claims raised by the survivors of deceased fire fighters John Percin, Jr., Sean Misner and Garret Zuppiger. 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 33.

**MOTION: 4 – 8/27/14**

<table>
<thead>
<tr>
<th>At 2:30 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To recess Open Session and enter Executive Session for Agenda items 33 a - f.</td>
</tr>
<tr>
<td>Moved by: Mr. Ferguson</td>
</tr>
<tr>
<td>Seconded by: Mr. McHenry</td>
</tr>
<tr>
<td>Discussion: None</td>
</tr>
<tr>
<td>In Favor: Unanimous</td>
</tr>
<tr>
<td>Motion: Passes</td>
</tr>
</tbody>
</table>

33. 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), (4) and (7), 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 setting policies in regards to the use of employment agreements, as authorized by A.R.S. §§ 38-431.03 (A) (3) and (4).

b. Update and discussion concerning the process to select the next System Administrator, as authorized by A.R.S §§ 38-431.03(A)(1) and (3).

c. Discussion regarding an Agreement with the Arizona Department of Administration, as authorized by A.R.S. §§ 38-431.03(A)(1), (3) and (4).

d. Status report from Steptoe & Johnson LLP regarding the four (4) lawsuits challenging provisions of Senate Bill 1609, which lawsuits involve judges Thompson and Hall, retired judges Fields and Lankford, retired police officers Rappleyea and Everson, and police officers Parker, Griego, Manganiello and Robles, as authorized by A.R.S. § 38-431.03(A)(4).

e. Discussion with legal counsel (and possible recommendation to the Board of Trustees) regarding IRS determination letter requests and legal developments, claims and issues (including settlement discussions) involving investment-related public record requests as well as the Trust and Plans’ contracts and investments, including legal matters concerning the Trust's custodians, lenders, securities lending agents, investment contracts, vendors, advisors, investment managers or joint venturers (as well as any investments managed by the Trust’s investment managers or joint venturers), as authorized by A.R.S. §§ 38-431.03(A) (2), (3), (4) & (7). Matters discussed may include claims or potential claims by, against or involving (or issues concerning) Stroh Ranch Development, Timbervest, the
Pivotal Group, Desert Troon Companies, Judicial Watch, Crain Publications (Pensions and Investments Magazine), the Arizona Republic, and/or Millard and Scott Seldin. Discussion may also include the Trust’s negotiations regarding disposition of its joint venture real estate portfolios, as authorized by A.R.S. §38-431.03(A)(7).

f. Discussion and consultation with legal counsel and Staff regarding internal investigations (including those arising from UNITE HERE!’s allegations concerning ORG Portfolio Management), public record requests, and ongoing or threatened legal action involving the Plans or Trust not otherwise referenced above, including claims involving employee bonuses and plan valuations, Jack Cross, Anton Orlich, Ken Fields, Jennifer Wright, Mark Selfridge, Paul Corens, Stacy Alcott, and Michele Weigand, as well as claims raised by the survivors of deceased fire fighters John Percin, Jr., Sean Misner, and Garret Zuppiger, all as authorized by A.R.S. §§ 38-431.03(A) (2), (3) and (4).

34. Set the next meeting date. (Currently scheduled for Wednesday, September 24 and Thursday, September 25, 2014.)

The next meeting will be held on Wednesday, September 24 and Thursday, September 25, 2014.

35. Adjournment.

The meeting was adjourned at 5:40 p.m.

______________________________  ______________________________
Brian P. Tobin, Chairman          Randie A. Stein, Trustee

______________________________  ______________________________
Gregory Ferguson, Trustee,        Richard J. Petrenka, Trustee
  Vice Chairman

______________________________  ______________________________
Jeff Allen McHenry, Trustee       William C. Davis, Trustee

______________________________  ______________________________
Lauren Kingry, Trustee