

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

December 18, 2019

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 9:30 a.m. on Wednesday, December 18, 2019. 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; Pledge of Allegiance; Roll Call; Opening remarks.

*Mr. William T. Buividas
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.
 - a. Acceptance of Elected Officials’ Retirement Plan of survivor benefit of Karen S. McVey.
 - b. Acceptance of Elected Officials’ Retirement Plan of survivor benefit of Helen Rozar.
 - c. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Beverly E. Hermon.
 - d. Acceptance of Transfer Between State Retirement Systems of John Utley.

- e. Acceptance of Transfer Between State Retirement Systems of Sean Horning.
- f. Acceptance of Transfer Between State Retirement Systems of Allisen Reese.
- g. Acceptance of Transfer Between State Retirement Systems of Jonathan Washington.
- h. Acceptance of Transfer Between State Retirement Systems of Amy Gerace.
- i. Acceptance of Transfer Between State Retirement Systems of Curtis Plumb.
- j. Acceptance of Transfer Between State Retirement Systems of Jerry Barker.
- k. Acceptance of Transfer Between State Retirement Systems of Jerry Sinica.
- l. Acceptance of Transfer Between State Retirement Systems of Laura Ottens.
- m. Acceptance of Transfer Between State Retirement Systems of Sheryl Watkins.
- n. Acceptance of Transfer Between State Retirement Systems of Alisha Showman.
- o. Acceptance of Transfer Between State Retirement Systems of John Hannah.
- p. Acceptance of Transfer Between State Retirement Systems of Matthew Blech.
- q. Acceptance of Transfer Between State Retirement Systems of John Granger.
- r. Acceptance of Transfer Between State Retirement Systems of Jason Strumpf.
- s. Acceptance of Transfer Between State Retirement Systems of Tyler Shoppe.
- t. Approval of the Minutes of the August 28, 2019, November 27, 2019 and December 6, 2019 Meetings of the PSPRS Board of Trustees.

Mr. Will Buividas

Report by Mr. Harry A. Papp, Chairman of the Investment Committee, regarding agenda items 4 through 8, pertaining to the Investment Committee, and possible Board *Action* regarding same.

- 4. Review, discussion and possible **Action** with respect to each of the following written Staff reports for the prior period:

Mr. Harry Papp
Chairman of the Investment Committee

- a. Written report: Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of October 31, 2019.
*Ms. Vaida Maleckaite
Director of Investment Services*
- b. Written report: Asset Allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.
Ms. Vaida Maleckaite
- c. Written report: Portfolio Risk as of October 31, 2019.
*Mr. Owen Zhao
Portfolio Analyst - Risk*
- d. Written report: Executed Transactions during prior period.
*Mr. Mark Steed
Chief Investment Officer*
- e. Written report: Detailed performance report.
Mr. Mark Steed
- f. Written report: Global Financial Market Developments.
*Mr. James Ko
Portfolio Manager
Mr. Mark Steed
Mr. Don Stracke
NEPC, LLC*
- 5. Presentation and discussion: Diversified Asset Class.
Mr. Mark Steed
 - a. Investment Staff.
*Mr. James Ko
Portfolio Manager*
 - b. Trust Consultant.
*Mr. Spencer Edge
Albourne*
- 6. Presentation and discussion: Private Fund Structures and Cash Flows.
Mr. Mark Steed

7. Discussion and possible **Action** regarding draft Arizona PSPRS Trust Securities Class Action Policy.

*Jennifer Carlino, Esq.
Chief Investment Counsel*

8. Review, discussion and possible **Action**: Section 115 Trusts.

*Mr. Scott McCarty
Trustee*

Presentation by Mr. Mike Scheidt, Chairman of the Operations and Governance Policy Committee, regarding agenda items 9 through 14, pertaining to the Operations and Governance Policy Committee, and possible Board *Action* regarding same.

9. Review and discussion: Staff operation reports.

*Mr. Michael Townsend
Administrator*

- a. Operations update.
- b. Written Report: Year to Date Budget.
- c. Written report: Local Board Rehearing.
- d. Written report: Communication Efforts.
- e. Written report: Law Firms' Billings for Legal Services.
- f. Written report: Human Resource update.

10. Discussion and appropriate **Action**: Resolution of CORP return to work violation - Ruben Duarte, Gila County Sheriff Department.

*Bret Parke, Esq.
Assistant Administrator
General Counsel*

11. Review, discussion and possible **Action**: Cancer Insurance Plan program changes.

*Bret Parke, Esq.
Mr. Mark Steed*

12. Review, discussion and possible **Action**: City of Glendale Fire and Police Plans request to increase amortization period.

*Bret Parke, Esq.
Kevin O'Malley, Esq.
Gallagher & Kennedy
Mr. Phil Coleman
Employer Relationship Manager*

13. Review, discussion and possible **Action**: Foster & Foster actuarial reporting, assumptions, and related investment opportunities.
- Mr. Brad Heinrichs
Foster & Foster
Mr. Don Stracke*
14. Update, discussion and possible **Action**: Preparation of the FY 2018-19 Comprehensive Annual Financial Report (CAFR) and completion of the associated annual audit.
- Mr. Will Buividas*
15. Review, discussion and possible **Action** on pending and passed legislative actions and potential legislative proposals.
- Mr Douglas Cole
HighGround, Inc.
Ms. Dianne McCallister
Public Policy Partners, LLC*
16. Discussion and appropriate **Action**: Board of Trustee member requests to participate in training, educational and due diligence opportunities.
- Mr. Will Buividas*
17. Discussion and potential **Action** regarding Board of Trustee information and follow-up requests. This item provides members of the Board of Trustees an opportunity to publicly request information, analysis or follow-up agenda items to be prepared by Investment Staff. All such requests will include the following parameters: (1) specific detail as to the information and or analysis requested; (2) the format for the information requested (i.e. email response, research or financial analysis required), (3) the desired timing for receipt of such follow-up information, and (4) whether an agenda item should be scheduled for discussion regarding same at a later meeting of the Board of Trustees.
- Mr. Will Buividas*
18. Discussion and consultation with legal counsel and Staff and possible **Action** regarding 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. 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 19.
19. **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 for legal advice with the attorney pertaining to Comprehensive Annual Financial Report as authorized by A.R.S. 38-431.03(A)(3).

- b. Discussion and consultation for legal advice with the attorney pertaining to protocol for working with the Attorney General to retain outside counsel as authorized by A.R.S. 38-431.03(A)(3).
 - c. Discussion and consultation for legal advice with the attorney pertaining to notice of claims previously received by PSPRS as authorized by A.R.S. 38-431.03(A)(3).
 - d. Discussion and consultation for legal advice with the attorney pertaining to public records retention schedule and disposition of records after expiration of retention schedule as authorized by A.R.S. 38-431.03(A)(3).
 - e. Discussion and consultation for legal advice with the attorney pertaining to Request for Hearing, Notice of Claim, and Formal Demand under A.R.S. 12-821.01 from legal counsel for a group of PSPRS members as authorized by A.R.S. 38-431.03(A)(3) and (4).
 - f. Discussion and consultation for legal advice with the attorney pertaining to actuarial policies and principles, employer contributions, and amortization period of unfunded liabilities as authorized by A.R.S. 38-431.03(A)(3).
 - g. Discussion and consultation for legal advice with the attorney pertaining to Pension Prefunding Plan as authorized by A.R.S. 38-431.03(A)(3).
 - h. Discussion and consultation for legal advice with the attorney pertaining to Firefighters and Peace Officers Cancer Insurance Program as authorized by A.R.S. 38-431.03(A)(3).
 - i. 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, including but not limited to those involving the status of lawsuits challenging provisions of SB1609, as authorized by A.R.S. §§ 38-431.03(A) (2), (3).
 - j. Update and discussion on personnel matters, including, as authorized by A.R.S. § 38-431.03(A)(1).
20. Possible **Action** on future meeting dates.
21. 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 Claudia Martinez, Executive Assistant or Cheryl Cohen, Executive Assistant at (602) 255-5575. Requests should be made as early as possible to arrange the accommodation.