

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

September 29, 2021

AGENDA

COVID-19 UPDATE

Following the recommendations from the Centers for Disease Control and Prevention (CDC), to limit gatherings of people, as well as federal and state emergency declarations related to COVID-19, **physical attendance in the Board of Trustee Boardroom at 3010 E. Camelback Road, Phoenix, AZ 85016 will be limited to members of the Board and necessary staff only.**

A **copy of the agenda** for the meeting will be posted on the PSPRS website at least twenty-four hours in advance of the meeting. **To view the final agenda** and/or public meeting materials visit <http://www.psprs.com/about/board-of-trustees>, by scrolling to Board of Trustee Meetings, selecting “BOT Agendas” or “BOT Meeting Materials” in the box, and selecting the appropriate meeting date. The agenda is subject to revision up to 24 hours prior to the meeting.

Interested members of the public and stakeholders may submit comments on any matter within the jurisdiction of the Board, including any item on the agenda for the September 29, 2021 PSPRS Board meeting, which will be done during the Call to the Public agenda item.

Public comments can be submitted any time prior to the meeting to PSPRSBoardMeetings@psprs.com. Commenters may elect to have comments presented by Staff or present comment themselves either via phone or video through the live PSPRS Public Meeting Web stream: <http://www.psprs.com/about/board-of-trustees>. All Commenters shall submit their full name, phone number (if appearing by phone), affiliation (or, if none, indicate “member of the public”), Agenda item they wish to comment on, and their position for or against the item.

NOTE: For technological reasons, Commenters wishing to present public comments live to the Board during the meeting should indicate so in their email and submit their comment at least an hour before the meeting begins. Upon receipt of the comment and contact information, PSPRS Staff will facilitate the appearance and contact you, if necessary, before the Board meeting.

The foregoing procedures notwithstanding, the Chair reserves the right to control the duration of comments or impose other constraints in the interest of maintaining an orderly meeting.

Media Contact or Agenda Materials: Christian Palmer, Communications Director (cpalmer@psprs.com)

The meeting will begin at 9:30 a.m. and continue until 3:00 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.

1. Call to Order; Pledge of Allegiance; Roll Call; Opening Remarks.

Mr. Scott McCarty
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, except Executive Session minutes, 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 early retirement benefit of Fred Koory Jr.
 - b. Acceptance of Elected Officials' Retirement Plan of termination of disability retirement benefit of Jimmie Munoz.
 - c. Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Willie Payne.
 - d. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Roger Brodman.
 - e. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Sherry Stephens.
 - f. Acceptance of Transfer Between State Retirement Systems of Jimmie Clapper.
 - g. Acceptance of Transfer Between State Retirement Systems of Michael Walsh.
 - h. Acceptance of Transfer Between State Retirement Systems of Douglas Edwards.
 - i. Acceptance of Transfer Between State Retirement Systems of Benjamin Wehunt.

- j. Acceptance of Transfer Between State Retirement Systems of Christopher Vaughan.
 - k. Acceptance of Transfer Between State Retirement Systems of Donna Vargas.
 - l. Acceptance of Transfer Between State Retirement Systems of Jeffrey Abts.
 - m. Approval of the Executive Session Minutes of the August 25, 2021 Meeting of the PSPRS Board of Trustees.
 - n. Approval of the Minutes of the August 25, 2021 Meeting of the PSPRS Board of Trustees.
Mr. Scott McCarty
4. Presentation and discussion regarding Arizona's Open Meeting Law and Public Records Law.
Kevin O'Malley, Esq.
Terence Thompson, Esq.
Gallagher & Kennedy
5. Update, discussion and possible **Action** regarding the GASB reports.
Mr. John Moorman
Chief Financial Officer
Mr. Jared Mazza
Financial Reporting Manager
6. Review, discussion and possible **Action** regarding the appointment of Trustee Stein to the Investment Committee, subject to Board ratification.
Mr. Scott McCarty

Report by Mr. Harry A. Papp, Chairman of the Investment Committee, regarding agenda items 7 through 9, which were discussed at the Investment Committee meeting held September 27, 2021, and possible *Action* on the Committee's recommendations to the Board regarding the same.

7. Review and discussion and possible **Action** with respect to each of the following written Staff reports for the prior period:
Mr. Mark Steed
Chief Investment Officer
- a. Written report: Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of July 31, 2021.
 - b. Written report: Asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.

- c. Written report: Portfolio Risk as of July 31, 2021.
 - d. Written report: Global Financial Market Developments.
 - e. Written report: Executed Transactions during prior period.
8. Presentation and discussion by NEPC regarding quarterly portfolio performance for the PSPRS Trust and Cancer Insurance Plan for the period ending June 30, 2021.
- Mr. Allan Martin*
NEPC
9. Review, discussion and possible **Action** regarding possible reallocation of the Investment Department's budget.
- Mr. Mark Steed*

Report by Mr. Dean Scheinert, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 10 through 16, which were discussed at the Operation, Governance Policy and Audit Committee meeting held September 15, 2021, and possible Action on the Committee's recommendations to the Board regarding the same.

10. Review and discussion: Staff operation reports.
- Mr. Michael Townsend*
- a. Administrator Update.
 - b. Written report: Year to Date Budget.
 - c. Written report: Law Firms' Billings for Legal Services.
 - d. Written report: Local Board Rehearing.
 - e. Written report: Employer Outreach.
 - f. Written report: Human Resource update.
 - g. Written report: Internal Audit update.
11. Update, discussion and possible **Action** regarding Information Technology updates.
- Mr. Michael Ajamie*
Chief Technology Officer

12. Update, discussion and possible **Action** regarding the Pension Administration System project.
*Mr. Michael Smarik
Deputy Administrator*
13. Update, discussion and possible **Action** regarding the implementation of Local Board Consolidation legislation.
*Mr. Michael Townsend
Mr. Robert Ortega
Member Services Director*
14. Review, discussion and possible **Action** regarding the Investment Department budget reallocation.
*Mr. Michael Townsend
Mr. Mark Steed*
15. Update, discussion and possible **Action** regarding the Fiscal Year 2021 ACFR audit.
*Mr. John Moorman
Mr. Jason Ostroski
CLA*
16. Review, discussion and possible **Action** on potential legislative proposals.
Mr. Michael Townsend

Report by Mr. Kenny Tims, Chairman of the Advisory Committee, regarding agenda items 17 through 22, which were discussed at the Advisory Committee meeting held September 20, 2021, and possible *Action* on the Committee’s recommendations to the Board regarding the same.

17. Discussion and possible **Action** regarding possible PSPRS funding policy legislative clarification.
*Mr. Kenny Tims
Mr. Michael Townsend*
18. Review, discussion and possible **Action** on potential legislative changes related to taxability of Cancer Insurance premiums and related taxability of indemnity benefit payments.
*Mr. Kenny Tims
Mr. Michael Smarik*
19. Review, discussion and possible **Action** regarding potential legislative changes to the Cancer Insurance Program related to retiree coverage.
*Mr. Kenny Tims
Mr. Michael Townsend
Ms. Ann Byman
Foster & Foster*

20. Review, discussion and possible **Action** on potential legislative changes related to return to work Employer options.

*Mr. Kenny Tims
Bret Parke, Esq.
General Counsel / Assistant Administrator*

21. Review, discussion and possible **Action** on potential legislative changes related to Tiers 1 and 2 assets and liabilities.

*Mr. Kenny Tims
Mr. Michael Townsend*

22. Review, discussion and possible **Action** regarding lateral transfers.

*Mr. Kenny Tims
Mr. Michael Townsend*

Report by Mr. Brian Moore, Chairman of the Defined Contribution Committee, regarding agenda items 23 and 24, which were discussed at the Defined Contribution Committee meeting held September 16, 2021, and possible Action on the Committee's recommendations to the Board regarding the same.

23. Review, discussion and possible **Action** regarding disposition of the plan's forfeiture funds and any conforming changes to the DC Plan Document.

Mr. Brian Moore

24. Review, discussion and possible **Action** regarding a potential plan audit and reoccurrence thereof.

Mr. Brian Moore

25. Review, discussion and possible **Action** on possible Governance Manual charter 4.10 Administrative and Investment Committee (aka "Defined Contribution Committee") revisions regarding member structure.

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

Mr. Scott McCarty

27. 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. 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 28.

28. **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 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).
 - b. Discussion and consultation for legal advice with the attorney pertaining to joinder agreements and to Hualapai Tribe Fire's joinder request, as authorized by A.R.S. §§ 38-431.03(A) (3), (4) and (6).
 - c. Discussion and consultation for legal advice with the attorney pertaining to Israel boycott divestment under A.R.S. § 35-393 et seq., as authorized by A.R.S. § 38-431.03 (A) (3).
 - d. Discussion and consultation for legal advice with the attorney pertaining to the Biltmore Lake developments, as authorized by A.R.S. § 38-431.03 (A) (3).
 - e. Discussion and consultation for legal advice with the attorney pertaining to possible reallocation of the Investment Department's budget, including Agenda Items No. 9 and 14, as authorized by A.R.S § 38-431.03(A) (3).
 - f. Discussion and consultation for legal advice with the attorney pertaining to the Pension Administration System project, including Agenda Item No. 12, as authorized by A.R.S. §§ 38-431.03(A) (3) and (4).
29. Adjournment.

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.