PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BOARD OF TRUSTEES MEETING

March 25, 2026

MINUTES

Present:	Mr. Scott McCarty, Chairman – remote, left at 2:00 P.M. Mr. Harry Papp, Vice Chairman, arrived at 12:44 P.M. Mr. Dean Scheinert, Trustee, remote at 11:35 A.M. Mr. Daren Wunderle, Trustee Mr. Brian Moore, Trustee Mr. Brandon Nee, Trustee Ms. Randie Stein, Trustee, Mr. Nate Weber, Trustee Mr. Chris Hemmen, Trustee
Others Present:	Bret Parke, Esq., Interim Administrator/General Counsel Ms. Erin Higbee, Interim Deputy/Assistant Administrator Mr. Clark Partridge, Assistant Administrator/Sr. Executive Consultant Ms. Claudia Martinez, Executive Assistant Ms. Cheryl Cohen, Investment Executive Assistant – remote Mr. Joel Cazares, IT Technical Support Administrator Mr. James Ko, Deputy Chief Investment Officer – remote Ms. Susan Baker, Portfolio Analyst – remote Ms. Angela Egelhoff, Chief Compliance Officer Ms. Lauren Kuperus, Compliance Specialist Mr. Doug Cole, HighGround Inc Ms. Cathleen Davis, Chief Internal Auditor Mr. John Tolar, NEPC – remote Mr. Frank Griego, Arizona Department of Public Safety – remote Mr. Alex Dorf, Deputy Chief Investment Officer – remote Mr. Michael Ajamie, Chief Technology Officer Ms. Charmeka Harris, Auditor 4 Kevin O'Malley, Esq., Gallagher & Kennedy Terence Thompson, Esq., Gallagher & Kennedy Mr. Jack Jordan, Chief Financial Officer Mr. Jared Mazza, Accounting Controller Ms. Olga Cedillo, Auditor – remote Ms. Rose Dean, NEPC – remote Mr. Christian Palmer, Communications Director Mr. Mark Steed, Chief Investment Officer – remote

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

Mr. Scott McCarty, Chairman

The meeting was called to order by Chairman McCarty at 9:32 A.M., Pledge of allegiance was recited, opening remarks were made and moment of silence was held for the recently fallen officer.

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, 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 John Bonefas.**
   b. **Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Alice Corpstein.**
   c. **Acceptance of Elected Officials' Retirement Plan of survivor benefit of George Girard.**
   d. **Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Robert Knaperek.**
   e. **Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Merle H. Wessel.**
   f. **Acceptance of Transfer Between State Retirement Systems of Javier Luna Montoya.**
   g. **Acceptance of Transfer Between State Retirement Systems of Jason B. Smith.**
   h. **Acceptance of Transfer Between State Retirement Systems of Travis Ryan Flake.**
   i. **Acceptance of Transfer Between State Retirement Systems of Warren Robertson.**
   j. **Acceptance of Transfer Between State Retirement Systems of Patrick E. Samuels.**
   k. **Acceptance of Transfer Between State Retirement Systems of Rudolfo Peru.**
   l. **Approval of the Executive Session Minutes of the February 25, 2026 Meeting of the PSPRS Board of Trustees.**
   m. **Approval of the Minutes of the February 25, 2026 Meeting of the PSPRS Board of Trustees.**

Mr. Scott McCarty

Moved by: Mr. Chris Hemmen
Second by: Mr. Nate Weber
Time: 9:36 A.M.
Motion: Approve consent agenda as presented.
Discussion: None
Vote: 7 – 0 (Mr. Scheinert and Mr. Papp ABSENT at the time.)

4. **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

Update was provided by Mr. Cole. Update included review of the legislative session, 2026 PSPRS legislative proposals and other legislative proposals that can impact the system, including the technology infrastructure bill. Mr. Moore and Mr. McCarty inquired about various bills.

5. **Update, review and discussion regarding the STARS pension administration system implementation.**

Ms. Erin Higbee, Interim Deputy Administrator

Update on the STARS project was presented by Ms. Higbee and Mr. Christian Palmer. Updates included key dates, support plan, tools and resources, recap on employer training and survey feedback. Mr. Hemmen and Mr. Weber commented on several aspects of the update.

6. **Review, discussion and possible Action regarding implementation guidance for the employer part-time program.**

Mr. Bret Parke, Interim Administrator

Mr. Wunderle provided history of the program and commented on the importance and implementation thereof. Presentation regarding the implementation was provided by Mr. Parke. Several Trustees inquired and/or commented on various aspects of the presentation.

Report by Mr. Harry A. Papp, Chairman of the Investment Committee, regarding agenda items 7 through 10, which were discussed at the Investment Committee meeting held March 19, 2026, and possible *Action* on the Committee's recommendations to the Board regarding the same.

Mr. Steed provided a brief report on the Investment Committee's March 19, 2026 meeting.

7. **Review, discussion and possible Action regarding the January 31, 2026 staff reports.**

Mr. Mark Steed, Chief Investment Officer

a. **Written report: PSPRS Trust Performance.**
b. **Written report: Asset Allocation and Capital Pacing.**
c. **Written report: Cancer Insurance Program Performance.**
d. **Written report: Risk Summary.**
e. **Written report: Overview of Financial Markets.**
f. **Written report: February Executed Transactions.**

Reports a through f and the current state of the market were provided by Mr. Mr. Steed.

8. Presentation, discussion, and possible Action regarding asset allocation and benchmarks for the PSPRS Trust.

Mr. Mark Steed

Presentation regarding the asset allocation and benchmarks for the trust was provided by Mr. Steed and Mr. Neil Sheth. Presentation included capital market assumptions, review of the current portfolio allocation, and recommended changes.

Moved by: Mr. Scott McCarty
Second by: Mr. Chris Hemmen
Time: 11:36 A.M.
Motion: Approve the PSPRS asset allocation and benchmarks as presented on page 41 of the presentation as recommended by NEPC.
Discussion: Ms. Rose Dean requested clarification on the referenced page.
Amended Motion: Approve the PSPRS asset allocation and benchmarks as presented on page 46 of the presentation as recommended by NEPC.
Moved by: Mr. Scott McCarty
Second by: Mr. Chris Hemmen
Time: 11:37 A.M.
Vote: 8 – 0 (Mr. Papp ABSENT at the time.)

9. Presentation, discussion and possible Action regarding asset allocation and benchmarks for the Cancer Insurance Plan.

Mr. Mark Steed Ms. Rose Dean, NEPC

Mr. Steed and Mr. Sheth advised there were no recommendations to make changes to the asset allocation and benchmarks for the Cancer Insurance Plan.

Moved by: Mr. Scott McCarty
Second by: Mr. Chris Hemmen
Time: 11:38 A.M.
Motion: Reaffirm the existing Cancer Insurance Plan's asset allocation and benchmarks as presented.
Discussion: None
Vote: 8 – 0 (Mr. Papp ABSENT at the time.)

10. Presentation and discussion regarding recent developments in the private credit markets.

Ms. Susan Baker, Sr. Portfolio Manager
Mr. Alex Dorf, Deputy Chief Investment Officer
Mr. James Ko, Deputy Chief Investment Officer

Presentation regarding the private credit markets was provided by Ms. Baker. Presentation included key concepts, recent developments, credit fundamentals, and what the changes mean for private credit.

Report by Mr. Dean Scheinert, Chairman of the Administration Committee, regarding agenda items 11 through 14, which were discussed at the Administration Committee meeting held March 17, 2026, and possible *Action* on the Committee's recommendations to the Board regarding the same.

Mr. Scheinert provided a brief report on the Administration Committee's March 17, 2026 meeting.

11. Review, discussion and possible Action regarding each of the following staff reports.

Mr. Bret Parke

a. **Administrator Update.**
b. **Written report: Internal Audit Office Update.**
c. **Written report: Year to Date Budget.**

d. **Written report: Law Firms' Billings for Legal Services.**
e. **Written report: Local Board Rehearing.**
f. **Written report: Communication Efforts.**
g. **Written report: Human Resource Update.**
h. **Written report: Bi-Monthly IT update.**

Reports a through h were provided by Mr. Parke, no further discussion was held.

12. Update, review and possible Action regarding the FY2027 PSPRS Budget.

Mr. Jack Jordan, Chief Financial Officer
Mr. Jared Mazza, Accounting Controller
Mr. Bret Parke

Presentation regarding the FY2027 PSPRS budget was provided by Messrs. Jordan, Parke and Mazza. Presentation included updates regarding the FY2026 budget, budget by category, detailed personnel budget, changes to department budgets, and the overall annual budget change. Mr. McCarty, Mr. Moore and Ms. Stein commented and/or inquired about various aspects of the budget.

Moved by: Mr. Chris Hemmen
Second by: Mr. Brian Moore
Time: 12:00 P.M.
Motion: Approve the FY2027 PSPRS operating budget as presented.
Discussion: None.
Vote: 8 – 0 Passed (Mr. Papp ABSENT at the time.)

13. Update, discussion and possible Action regarding the section 115 Trust report (AEPPP).

Mr. Clark Partridge, Interim Assistant Administrator

Presentation regarding the Arizona Employers Pension Prefunding Program was provided by Mr. Partridge and Mr. Parke. Presentation included progression of the program, participants, and future goals. Messrs. Nee, Wunderle, and McCarty commented and/or inquired on various aspects of the report and program.

14. Presentation, discussion and possible Action on acceptance of Arizona Department of Public Safety, Audit Report No. 2024-02.06 as provided.

Ms. Cathleen Davis, Chief Internal Auditor

Item was tabled.

Report by Mr. Kenny Tims, Chairman of the Advisory Committee, regarding agenda item 15, pertaining to the Advisory Committee, and possible Board *Action* regarding the same.

15. Update and discussion regarding the appointment of Leonard Gilroy to the Advisory Committee.

Mr. Bret Parke

Mr. Parke advised the Board of the recent appointment of Mr. Leonard Gilroy to the Committee. Mr. McCarty inquired about the make-up of the Committee and vacancies thereof.

Report by Mr. Daren Wunderle, Chairman of the Local Board AdHoc Committee, regarding agenda item 16, pertaining to the Local Board AdHoc Committee, and possible Board *Action* regarding the same.

16. Update, discussion and possible Action regarding the Local Board Ad Hoc Committee, including statutory requirements for and operations of local boards.

Mr. Daren Wunderle

Mr. Wunderle provided an update on the Committee's and advised the Committee will commence work in August due to staff and Committee members' availability and workload.

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

Mr. Scott McCarty

No new requests were presented.

18. Discussion and possible Action regarding employment agreement for James Mack as new administrator.

Mr. Papp's advised that inadvertently the proposed employment agreement was not posted as intended. The Board tabled action on the item and scheduled a special meeting for Friday, March 27, 2026 at 4pm.

Moved by: Mr. Harry Papp
Second by: Mr. Chris Hemmen
Time: 2:15 P.M.
Motion: Defer action on the item and raise at a special meeting scheduled for Friday, March 27th at 4pm.
Discussion: None
Vote: 8 – 0 (Mr. McCarty ABSENT at the time.)

19. **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 20.**

Moved by: Mr. Chris Hemmen
Second by: Ms. Randie Stein
Time: 12:28 P.M.
Motion: Enter into Executive Session.
Discussion: None
Vote: 8 – 0 (Mr. Papp ABSENT at the time.)

Board reconvened public session at 2:13 PM

20. **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 pending and passed legislative actions and potential legislative proposals, including Agenda Item No. 4, as authorized by A.R.S. § 38-431.03(A) (3).**
    b. **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), (4) and (7).**
    c. **Discussion and consultation for legal advice with the attorney pertaining to review of local board action regarding the disability application of Juliana Guerra, as authorized by A.R.S. §§ 38-431.03 (A) (3) and (4).**
    d. **Discussion and consultation for legal advice with the attorney pertaining to CORP overtime with City of Avondale, as authorized by A.R.S. § 38-431.03(A) (3).**
    e. **Discussion and consultation for legal advice with the attorney pertaining to Fort McDowell Tier 2 and Tier 3 contributions to PSPRSDCP, as authorized by A.R.S. § 38-431.03(A) (3).**
    f. **Discussion and consultation for legal advice with the attorney pertaining to vendor services performance, as authorized by A.R.S. § 38-431.03(A) (3).**
    g. **Discussion and consultation for legal advice with the attorney pertaining to a retiree pool account and payroll deviation implementation for Timber Mesa, as authorized by A.R.S. § 38-431.03(A) (3).**
    h. **Discussion and consultation for legal advice with the attorney pertaining to prorating the high 3 or 5 years for benefit calculation, as authorized by A.R.S. § 38-431.03(A) (3).**
    i. **Discussion and consultation for legal advice with the attorney pertaining to the Arizona Department of Public Safety audit, including Agenda Item No. 14, as authorized by A.R.S. § 38-431.03(A) (3).**
    j. **Discussion and consultation for legal advice with the attorney pertaining to designation, employment, appointment, responsibilities, salary, and/or employment agreement of a new Administrator, including Agenda Item No. 18, as authorized by A.R.S. §§ 38-431.03(A)(1) and (3).**

21. **Possible discussion and Action on future meeting dates and/or future agenda items. (Next meeting is currently scheduled for Wednesday, April 29, 2026.)**

Next meeting is scheduled for March 27, 2026, at 4:00 P.M.

22. **Adjournment.**

Moved by: Ms. Randie Stein

Second by: Mr. Nate Weber
Time: 2:16 P.M.
Motion: Adjourn meeting.
Discussion: None.
Vote: 8 – 0 Passed (Mr. McCarty ABSENT at the time.)

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Scott McCarty, Chairman