

MINUTES: PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD

HELD Thursday, November 20, 2025, 9:00 a.m.

The Arizona State Retirement System (ASRS) Board of Trustees met in public session in the First Floor Board Room of the ASRS Office, 3300 N. Central Avenue, Phoenix, Arizona 85012.

Mr. Michael Miller, Chairperson of the ASRS Board, called the meeting to order at 9:01 a.m.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Michael Miller, Chairperson
Ms. Sarah Webber, Vice-chairperson (joined the meeting @ 9:15 a.m.)
Mr. Tom Connelly
Ms. Ashley DiMaggio Ruiz
Dr. Chuck Essigs
Mr. Rene Guillen (virtually)
Ms. Diane Landis
Mr. Jay Petkunas (virtually)

A quorum was present for the purpose of conducting business.

Ms. Melanie Alexander, ASRS Board Administrator, provided all attendees with meeting guidelines.

2. Approval of the Consent Agenda:

- a. Minutes of the August 28, 2025, Public Meeting of the ASRS Board
- b. The 2026 Calendar Year Board Meeting Schedule

Motion: Mr. Tom Connelly moved to approve the Consent Agenda. Ms. Diane Landis seconded the motion.

By a roll call vote of 7 in favor, 0 opposed, 0 abstentions, 1 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – excused
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

3. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2026 Proposed Legislative and Rulemaking Initiatives, including:

- a. 2026 Regulatory Agenda
- b. 2026 Legislative Agenda

Ms. Jessica Thomas, Government Relations Officer, presented information and materials regarding the ASRS 2026 Regulatory Agenda. The Regulatory Agenda includes one rulemaking related to the Five-Year Review Report (5YRR), which was approved by the Governor's Regulatory Review Council earlier this year. This pertains to Article 1 (Retirement System), Article 2 (Health Insurance Premium Benefits), Article 4 (Practice and Procedure Before the Board), and Article 5 (Purchasing Service Credit). Additionally, there are three separate 5YRRs scheduled for 2026 regarding Article 6 (Public Participation in Rulemaking), Article 7 (Contributions Not Withheld), and Article 9 (Compensation).

Motion for agenda item 3.a.: Ms. Diane Landis moved to approve the 2026 Regulatory Agenda as presented. Dr. Chuck Essigs seconded the motion.

By a roll call vote of 7 in favor, 0 opposed, 0 abstentions, 1 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – excused
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

Ms. Thomas presented information and materials regarding the ASRS 2026 Legislative Agenda, which includes three initiatives the ASRS is proposing to pursue. The initiatives are to provide clarity to Arizona Revised Statutes (A.R.S.) §§ 38-783, 38-727, and 38-797.07.

Mr. Tom Connelly asked for further clarification of A.R.S. § 38-797.07. Discussion ensued to clarify.

Motion for agenda item 3.b.: Mr. Tom Connelly moved to approve the 2026 Legislative Agenda as presented. Ms. Ashley DiMaggio Ruiz seconded the motion.

By a roll call vote of 7 in favor, 0 opposed, 0 abstentions, 1 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – excused
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

Discussion Participants: Mr. Tom Connelly and Ms. Jessica Thomas.

4. Presentation, Discussion, and Appropriate Action Regarding Government Finance Officers Association (GFOA) Financial Reporting Awards for Fiscal Year 2024:

- a. Annual Comprehensive Financial Report**
- b. Popular Annual Financial Report**

Ms. Erica Syring, Chief Financial Officer (CFO), Financial and Employer Services Division (FESD), opened with a brief statement regarding the following two agenda topics and the agency's financial reports. The ASRS issues three yearly reports: The Annual Comprehensive Financial Report (ACFR), the GASB 68 & 75 Report, and the Popular Annual Financial Report (PAFR).

Two of the three reports are eligible for submission to the Government Finance Officers Association (GFOA) for awards. Ms. Syring announced that the ASRS received the GFOA Certificate of Achievement for Excellence in Financial Reporting for its June 30, 2024, ACFR for the 36th consecutive year and the GFOA Award for Outstanding Achievement for the 2024 PAFR for the 13th consecutive year. Ms. Syring pointed out that although the ASRS has a longstanding tradition of excellence in financial reporting, this accomplishment takes a team to facilitate the annual audit with CliftonLarsonAllen (CLA), ASRS external auditors. Ms. Syring recognized this accomplishment through the dedicated hard work of the ASRS General Accounting team in the FESD, the Investment Management Division members, and Strategic Communications.

Finally, she noted that although the GASB 68 & 75 report does not have an award opportunity, it is a significant report for the ASRS and its participating employers. Ms. Syring added that this report results from hard work by the external auditors, external actuaries, the internal financial reporting team, the participating employers selected for census testing, and the ASRS Internal Audit Division.

Ms. Syring concluded the presentation by thanking the Board of Trustees for their dedication and recognizing the financial report as an agency priority, as well as the dedicated members of the ASRS who contributed to this accomplishment.

Mr. Miller, Ms. Landis, and Mr. Connelly commended staff on their accomplishments and congratulated the ASRS on receiving the awards for the 36th consecutive year.

Discussion Participants: Mr. Michael Miller, Ms. Diane Landis, Mr. Tom Connelly, and Ms. Erica Syring.

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS' Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2025:

- a. Annual Comprehensive Financial Report**
- b. Popular Annual Financial Report**
- c. Employer Reports for Governmental Accounting Standards Board (GASB) 68 & 75**

Ms. Syring opened the topic discussion, stating that this topic will cover the June 30, 2025, financial reports. The primary purpose of this agenda item is for the external auditors, CliftonLarsonAllen (CLA), to present the opinions and required communications for the year's financial audit.

Before turning the topic over to CLA, Ms. Syring took a moment to recognize staff, Ms. Sally Feng, ASRS Controller, and Ms. Jessica Tucker, ASRS Financial Reporting Manager, who were the key drivers in this effort.

It was discovered that Ms. Brittany Smith, Audit Manager, CLA, had not yet joined the meeting due to a technical issue. Mr. Paul Matson, Executive Director, offered a recommendation to the Board to close this agenda item and move on to the next until such time Ms. Smith is able to join. Mr. Miller agreed.

Ms. Sarah Webber joined the meeting at 9:15 a.m.

6. Presentation, Discussion, and Appropriate Action Regarding the ASRS Annual Actuarial Valuations and Resulting Contribution Rates:

- a. Pension Plan and Health Insurance Valuation**
- b. Long-Term Disability (LTD) Valuation**
- c. The System Valuation**
- d. Actuary's Recommendation Regarding 13th Checks for Retired System Members**

Mr. Paul Wood, Sr. Consultant & Actuary, Gabriel, Roeder, Smith, and Company (GRS), addressed the Board. Mr. Wood introduced Ms. Cassie Rapaport, GRS Consultant. Mr. Wood summarized the results of the 2025 ASRS valuations. They also presented charts summarizing the contribution rates and the funded status. The resulting Plan contribution rate is 11.87% for each employee and the employer. ASRS has a solid funding policy and is on a projected path to full funding, with contribution rates expected to remain relatively stable over time. The Contribution Prepayment Program (CPP) contributions would slightly increase the funded ratio, and the outlook for the plan health and plan funding remains stable.

Ms. Rapaport addressed the Board regarding the ASRS LTD Valuation. The resulting contribution rate is 0.11% for each employee and the employer, and the actuarial value of the LTD Plan's funded status as of June 30, 2025, is 102.1%.

GRS also addressed the Board regarding the closed System valuation as of June 30, 2025.

Based on the results, GRS recommended that there be no additions to the 13th check or supplemental credit balances for the closed System.

Mr. Tom Connelly, Mr. Michael Miller, and Dr. Chuck Essigs requested clarification on the 10-year smoothing, funded ratio, contribution rate decrease, and communication to members regarding decreasing contributions

Discussion Participants: Mr. Paul Wood, Ms. Cassie Rapaport, Mr. Tom Connelly, Dr. Chuck Essigs, and Mr. Michael Miller.

Motion 6a.: Ms. Sarah Webber moved to accept the Actuarial Valuation of the Plan and the Health Benefit Supplement program as presented for the period ending June 30, 2024, and the resulting contribution rate of 11.87% for each active employee and each employer, with 0.0% of the employer's contribution allocated towards the 401(h) account, effective for the 2027 fiscal year.

The Board moves to accept an aggregate Alternate Contribution Rate of 9.45%, consisting of 9.41% for the Plan, 0.0% for the Health Benefit Supplement program, and 0.04% for the Long-Term Disability program, effective for the 2027 fiscal year.

Dr. Chuck Essigs seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

Motion 6b.: Ms. Sarah Webber moved to accept the Actuarial Valuation of the Long-Term Disability Program as presented for the period ending June 30, 2025, and the resulting contribution rate of 0.11% for each employee and each employer, effective for the 2027 fiscal year.

Ms. Diane Landis seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

Motion 6c.: Ms. Sarah Webber moved to accept the Actuarial Valuation of the System as presented.

Dr. Chuck Essigs seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

Motion 6d.: Ms. Sarah Webber moved that, based on the current funded status and cash flow position of the System, no increases to 13th checks for retired System members and no additions to the Supplemental Credit balances of non-retired System members be made.

Mr. Tom Connelly seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS' Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2025:

- d. Annual Comprehensive Financial Report**
- e. Popular Annual Financial Report**
- f. Employer Reports for Governmental Accounting Standards Board (GASB) 68 & 75**

This agenda item was recalled once Ms. Brittany Smith, CLA, was able to join the meeting.

Ms. Smith presented an unmodified Independent Auditor's Opinion for the fiscal year ending June 30, 2025, on the ASRS financial statements that collectively comprise the ASRS' financial statements in the ACFR. Regarding the Independent Auditors' Report on the GASB 68 & 75 Schedules, Ms. Smith reported an unmodified opinion. Regarding the Independent Auditors' Report on Internal Controls concerning the ACFR, Ms. Smith reported no material weaknesses or significant deficiencies identified during the audit. The Independent Auditors' Report on Internal Controls concerning the GASB 68 & 75 Schedules also had no material defects or significant deficiencies identified during the audit.

Ms. Diane Landis and Mr. Michael Miller thanked the ASRS for their dedication and hard work and congratulated the ASRS for the unmodified opinion and for working so well with the external auditors.

BOARD RECESSED: 10:38 a.m.

BOARD RECONVENED TO PUBLIC SESSION: 10:49 a.m.

7. Presentation, Discussion, and Appropriate Action Regarding NEPC Investment Reporting – Executive Summary of the Investment Committee Presentation:

- a. ASRS Investment Program Update, Market Environment Outlook**
- b. Independent Reporting**

Ms. Rose Dean, NEPC, discussed the current economic and investment environment and reported on monitoring Investment Management Division asset class activities. Ms. Dean presented information on fund performance, monitoring and oversight, and compliance.

Mr. Michael Viteri asked Ms. Dean to touch on the benchmark changes and how they relate to the public market relative returns. Ms. Dean provided this information to the Board.

Discussion Participants: Ms. Rose Dean and Mr. Michael Viteri

8. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Program – Executive Summary of the Investment Committee Presentation.

Mr. Michael Viteri, Chief Investment Officer, presented information and materials regarding the performance of each asset class and the final performance for the period ending June 30, 2025.

Mr. Tom Connelly asked for clarification on why the ASRS is moving non-US assets in-house. Discussion ensued to provide clarification.

Discussion Participants: Mr. Tom Connelly and Mr. Michael Viteri

9. Presentation, Discussion, and Appropriate Action Regarding Risk Analysis and Investment Compliance – Executive Summary of the Investment Committee Presentation:

- a. Risk Analysis
- b. Investment Compliance

Mr. Robert Butler, Investment Risk and Compliance Officer, presented an executive summary of information and materials on the ASRS asset class correlation and contribution to volatility, hypothetical stress test scenarios, and the largest external manager concentration.

Mr. Butler presented information and materials regarding the internally managed portfolios' pre-trade compliance system, the custody bank's investment compliance program, and the private markets investment compliance program.

10. Presentation, Discussion, and Appropriate Action Regarding Staff Recommended Updates to the ASRS Board Governance Policy Handbook.

Mr. Paul Matson, Executive Director, provided a brief history of the ASRS Board Governance Policy Handbook. More details will be discussed during the upcoming ad hoc meeting. Updates being presented by staff at this time are of a minor, typographical, or terminological nature.,

Motion: Ms. Sarah Webber moved to approve the recommended revisions to the ASRS Board Governance Policy Handbook Updates as presented by staff.

Ms. Ashley DiMaggio Ruiz seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

11. Presentation, Discussion, and Appropriate Action Regarding Board Self-Evaluation Material Distribution.

Mr. Miller announced that materials will be distributed by staff for the upcoming Board Self-Evaluation soon. Ms. Melanie Alexander confirmed that the materials will come in the form of a survey through the board portal, as it was last year's.

12. Summary of Current Events.

There were no events to discuss.

13. Supplemental Operations Reports for Possible Presentation, Discussion, and Appropriate Action.

- a. 2025 Operations Report
- b. 2025 Budget and Staffing Reports
- c. 2025 Cash Flow Statements
- d. 2025 Appeals Report
- e. 2025 Employers Reporting
- f. 2025 Quarter 3 Travel Report

Mr. Matson had no comments but offered to answer any questions; there were none.

14. Call to the Public.

No one from the public requested to address the Board.

15. Board Member or Executive Director Requests for Future Agenda Items.

No requests were made.

16. The next regular public ASRS Board meeting is tentatively scheduled for Thursday, February 26, 2026, at 9:00 a.m.

Mr. Miller announced that the next regular public ASRS Board meeting is scheduled to begin at 9:00 a.m. on Thursday, February 26, 2026.

Mr. Miller reminded the Trustees of the ad hoc Board Meeting to be held on Monday, November 24, 2025, at 9:00 a.m.

17. Presentation, Discussion, and Appropriate Action Regarding the 2024 Review and Employment Agreement of the Executive Director of the ASRS.

Motion: Ms. Sarah Webber moved to go into executive session pursuant to A.R.S. § 38-431.03(A)(1) for the purpose of the discussion of the Director's Annual Review.

Ms. Ashley DiMaggio Ruiz seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

BOARD CONVENED TO EXECUTIVE SESSION: 11:25 a.m.

EXECUTIVE SESSION CONCLUDED: 12:15 p.m.

BOARD RECONVENED TO PUBLIC SESSION: 12:16 p.m.

Mr. Miller reconvened the Open Session. Ms. Melanie Alexander called the roll. A quorum of the Board was present to conduct business.

Motion: Ms. Sarah Webber moved that the Executive Director position be reclassified and amend the Employment Agreement for the ASRS Director as discussed in the executive session. Mr. Tom Connelly seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, 0 excused, and 1 vacancy, the motion was approved.

The Trustee votes were as follows:

Mr. Michael Miller – approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – approved
Mr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis – approved
Mr. Jay Petkunas – approved

18. Adjournment of the ASRS Board.

Mr. Miller adjourned the November 20, 2025, ASRS Board meeting at 12:19 p.m.

Respectfully Submitted by:

Melanie Alexander
Board Administrator
ARIZONA STATE RETIREMENT SYSTEM