



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

MINUTES PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD

Friday, April 24, 2015
9:30 a.m., MST

The Arizona State Retirement System (ASRS) Board met in the 14th Floor Conference Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. Kevin McCarthy, Chair of the ASRS Board, called the meeting to order at 10:32 a.m., Arizona time.

The meeting was NOT teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Kevin McCarthy, Chair
Mr. Tom Connelly
Professor Dennis Hoffman
Dr. Richard Jacob
Mr. Jeff Tyne

Absent: Mr. Tom Manos

A quorum was present for the purpose of conducting business.

2. Presentation, Discussion and Appropriate Action Regarding the Board Governance Evaluations

- a) Trustees' 2014 Self-Evaluation
- b) Board 2014 Self-Evaluation
- c) Critical Issues of 2015

The Overall Board Evaluation document taken from the Board Governance Policy Handbook prompts the Trustees to consider the following statements while reviewing their performance:

1. The Board maintains an effective oversight role with regard to benefits and investment issues.
2. The Board knows and understands the ASRS Strategic Plan, and reflects this understanding when addressing key issues throughout the year.
3. The Board engages in long-range strategic thinking and planning.
4. The Board has achieved the business objectives it set out to accomplish this past year.
5. The Board stays abreast of issues and trends affecting the ASRS, using this information to assess and guide the ASRS over the long term.
6. The Board conducts a comprehensive evaluation of the Director annually.
7. The Board ensures that new Trustees receive a prompt, thorough orientation.

8. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.
9. The Board meeting agendas are well-balanced, allowing time for the most critical issues.
10. The Board and Committee meetings are handled efficiently.
11. The Committees are effective, focusing on pertinent topics and allocating reasonable time.
12. The Board is well-educated on both benefit and investment issues.
13. The Board recognizes its policy-making role and reconsiders and revises policies as necessary.
14. The Board is consistently prepared for meetings.
15. The Board as a whole, and Trustees as individuals, evaluates their performance on an annual basis.
16. The Board reviews and adopts a reasonable operating budget that is followed and monitored throughout the year.
17. The Board periodically monitors investment performance and measures it against relevant benchmarks.
18. The Board periodically monitors service to members.
19. The Board comprehends and respects the difference between its policy-making role and the Director's management role.
20. Board goals, expectations, and concerns are promptly, candidly and effectively communicated to the Director.
21. The Board anticipates issues and does not often find itself reacting to "crisis" situations.

Mr. McCarthy identified one item that was scored as "sometimes," which was item #12; however, all other scores were favorable, which is consistent with previous years. The Trustees discussed at some length a few of the overall comments submitted and items #10, #11, and #21 from the Overall Board Evaluation document, offering input regarding better use of the External Affairs Committee, media outreach parameters, effective meetings, oversight, and possessing an effective knowledge base. Trustees provided positive feedback regarding 2014 Board interactions.

Also discussed, for the future, was the need for more investment expertise on the Board and additional education for all Trustees, once all positions have been filled, to encompass the Board's role with regard to meeting management and what their focus should be and what should be relinquished to staff.

3. Presentation, Discussion and Appropriate Action with Regard to the Review of the Director of the ASRS

Mr. McCarthy provided a brief summary regarding the purpose of the Director's review and future items to be considered.

Motion: Mr. Tom Connelly moved to go into executive session. Dr. Richard Jacob seconded the motion.

By a vote of 5 in favor, 0 opposed, 0 abstentions, 1 excused, and 3 vacancies, the motion was approved.

The Board convened to executive session at 11:19 a.m.

Adjournment of the ASRS Board

Mr. McCarthy adjourned the Board meeting at 11:44 a.m.

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Melanie A. Alexander, Board Administrator

Paul Matson, Director