



**INDEPENDENT AUDIT AND  
PERFORMANCE COMMISSION (IAPC)  
Pension Subcommittee**

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**Minutes of the Wednesday, January 21, 2015 Meeting**

**Location:** City Hall – 255 W. Alameda, Budget Conference Room, 4<sup>th</sup> Floor West, Tucson, AZ

**Members Present:** David Cormier, Subcommittee Chair (Ward 1); Kevin Oberg (Ward 4); Ed Hubert (Ward 6)

**Members Absent:** None

**Staff:** Joyce Garland, Budget and Internal Audit Program Director; Silvia Navarro, Finance Treasury Administrator; Mike Hermanson, Finance Pension Manager; Bob Kulze, Interim Internal Audit Manager/Ex Officio Member (Non-Voting)

**Meeting Start - 1:03 P.M.**

**Roll Call** – A quorum was established.

**1. Approval of the October 28, 2014 IAPC Pension Subcommittee Minutes**

It was moved by Mr. Cormier, duly seconded, to amend Item 1 of the minutes to clarify the meaning of, “At that point, Mr. Cormier will be resigning from the subcommittee based on information from Council Member Kozachik.” For the expanded scope, Council Member Kozachik had requested that members of the committee not be current or future recipients of a City pension. The amended minutes were approved on a voice vote of 3 to 0.

**2. Review and Discussion of the Draft Report**

Mr. Cormier introduced the draft report. Mr. Hubert stated that the draft report was inaccurate in the sense that the report indicated that the subcommittee had received all of the information necessary to make a report about the question the subcommittee was asked to decide. He also stated the information that had been previously provided by staff required additional analysis by the subcommittee. There was discussion about what could be looked at as Phase I (original scope) of the subcommittee’s review and what information could be looked at as Phase II (expanded scope). The information that had been requested at the October 28, 2014 meeting was for the actuary to change the amortization period of the cost projections. It was accepted by Mr. Hubert that changing the amortization period would be a change in the first mission (Phase I).

The subcommittee discussed the draft report’s pension cost projections previously provided by Mr. Hermanson and the City’s actuary: Ms. Leslie Thompson of Gabriel, Roeder, Smith and Company (Ms. Thompson attended via teleconference). Mr. Hermanson and Ms. Thompson fielded and answered questions. There was discussion. The subcommittee requested more detail be provided about the pension’s unfunded liability contained in the cost projections. No action was taken.

**3. Call to the Audience**

There was no audience.

**4. Discuss Future Agendas**

Future agendas were discussed. No action was taken.

**Adjournment – 1:58 P.M.**