

TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES LEGAL ACTION REPORT

DATE: Friday, October 30th, 2015

TIME: 8:30 am

PLACE: Arizona Inn – (Safari Room) 2200 East Elm Street, Tucson, AZ

Chairman Fleming called the meeting to order at 8:31 AM.

1) Consent Agenda

- a. Approval of September 24, 2015 TSRS Board meeting minutes
- b. September 2015 TSRS Financials
- c. Approval of October 2015 Retirements

The Board approved the Consent Agenda by a vote of 6 – 0 (Chairman Fleming did not vote).

2) Actuary Valuation Report for June 30, 2015 – Gabriel Roeder Smith & Assoc., - Leslie Thompson

- a. June 30, 2015 TSRS DRAFT valuation report and discussion
- b. Recommended Contribution Rates for 2017 Plan Year Beginning July 1, 2016, Ending June 30, 2017
- c. Acceptance of 6/30/15 Draft Valuation Report, Adoption of FY17 Contribution Rates
- d. Review of TSRS Funding Projections

Report given, discussion held. A motion to accept the Valuation Report and set the corresponding rates as projected was made by Kevin Larson, 2nd by John O'Hare, and passed by a vote of 6 – 0 (Chairman Fleming did not vote).

3) PIMCO Fund Manager–Sasha Talcott, Matt Clark

- a. PIMCO Update
- b. Economic Outlook
- c. Review of StockPlus Portfolio
- d. Review of Diversified Income Portfolio

Report given, discussion held. No formal action taken.

4) Disability Process Discussion

- a. TSRS Disability Statistics and Process
- b. City's Medical Leave and Accommodation Policies – HR Representative
- c. Discussion of Overall Disability Program

Report given, discussion held. A motion to stop benefit payments to the disability retirement recipients who have not responded for the disability audit was made by Silvia Amparano, 2nd by Kevin Larson, and passed by a vote of 4 – 2 (Rebecca Hill and Michael Coffey dissenting, Chairman Fleming did not vote).

5) Education Session - Callan Associates - Paul Erlendson, Gordon Weightman

- a. Active Vs. Passive Management

This item was taken out of order and considered after item 2. Materials were distributed. Report given, discussion held. No formal action taken.

6) Investment Activity / Status Report

- a. TSRS Portfolio Composition, Transactions and Performance for 9/30/15
- b. Executive Summary of TSRS Performance for 9/30/2014 **Callan Associates – Paul Erlendson, Gordon Weightman**
- c. Transition Manager Overview

Report given, discussion held. No formal action taken.

7) Discussion of Fund Manager Presentations to the Board of Trustees Callan Associates

- a. Models Being Used in Other Plans
- b. Effectiveness of Current Practice
- c. What can we do Different?

This item was taken out of order and considered after item 5. Materials were distributed. Report given, discussion held. No formal action taken.

8) Administrative Discussions

- a. Update on Pension Administrator recruitment and Potential Expenses Associated with the Recruitment
- b. TSRS day-to-day operations
- c. Discussion of hiring authority for TSRS System Administrator – **Cassie Langford**
- d. Discussion of Additional Proposed TSRS Code Changes **Cassie Langford**

Report given, discussion held. The Board decided not to formalize the Memorandum of Understanding, between the City of Tucson and the TSRS Board of Supervisors, until after the new plan administrator is hired so that any necessary revisions can be made.

A motion to adopt the revisions to the Code as presented was made by Silvia Amparano, 2nd by John O'Hare.

The motion was amended to include a 30 day separation period in the revisions to Sec. 22-33(b) by Silvia Amparano, 2nd by John O'Hare, and passed by a vote of 5 –1 (John O'Hare dissenting, Chairman Fleming did not vote).

The Board elected to recommend the approved Code revisions to the Mayor and Council by a vote of 6 – 0 (Chairman Fleming did not vote).

9) Articles for Board Member Education / Discussion

- a. Public and Private Mortality

10) Call to Audience

John O'Hare advised the Board of the death of Jean Wilkins and distributed an article on public pension plans and financial economics.

11) Future Agenda Items

12) Adjournment 2:46 PM