

## TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES Regular Meeting Minutes

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Supplemental Retirement System (TSRS) Board of Trustees and to the general public that the TSRS Board will hold the following meeting virtually (remotely) using Microsoft Teams on:

**Thursday, August 27th, 2020 at 8:30 A.M.**

**MEETING NOTE: Due to the impacts of the COVID-19 pandemic, which have prompted declarations of a public health emergency at the local, state and federal levels, this meeting will be conducted using measures to protect public health. This meeting will be held remotely through technological means, as permitted under Arizona law. The meeting will not include any items that will involve time set aside for public comments. The meeting will be recorded and posted to City Boards, Committees, and Commissions website for public review.**

**IN-PERSON ATTENDANCE BY MEMBERS OF THE PUBLIC WILL BE PROHIBITED.**

**PLEASE BE AWARE THAT THESE MEASURES ARE IN PLACE TO LIMIT THE NEED FOR MEMBERS OF THE PUBLIC TO PARTICIPATE IN LARGE PUBLIC GATHERINGS, WHILE ENSURING THAT THE DISCUSSIONS, DELIBERATIONS AND ACTIONS OF THE TSRS BOARD ARE TRANSPARENT AND CONDUCTED OPENLY.**

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### A) Call to Order

Chairman Mark Rubin called the meeting to order at 8:30 am.

### B) Consent Agenda

1. Approval of Regular Board meeting minutes from July 23, 2020 <sup>Note 1</sup>
2. Approval of August 2020 Ratification Report
3. July Budget to Actual Report
4. July Monthly Investment Performance Review

**A motion to approve the consent agenda was made by Ana Urquijo, 2<sup>nd</sup> by Jeff Yates, passes unanimously.**

### C) Administrative Discussions

1. BNY Benefit Disbursements

would be an interim step until the full cost allocation plan is done and TSRS proportionate share is determined.

**A motion to approve 25% allocation of the cost be reimbursed to the City in the amount of 58,500.00 plus 5% of Ana Urquijo cost to be allocated to the pension plan was approved by Kevin Larson, 2<sup>nd</sup> by Jim Wysocki, motion passes 6 to 1 (Michael Coffey opposed).**

5. Vacation Alternative Use

Art explained that the City is contemplating the creation of an alternative leave bucket for those who have not been able to take vacation leave during the pandemic and this item was scheduled as a placeholder in the event that Board action was necessary to allow for the creation of the payout of excess leave without having an impact to the plan.

As of the date of the August meeting, there has been no definitive decision regarding how the carryover will be handled and Art will keep the Board updated on any decisions made and will bring back any potential code revisions for the Board's consideration, as necessary.

**Discussion held; no formal action taken.**

6. GovInvest Update

Art provided an updated on the implementation of the GovInvest actuarial software that the City purchased in November 2019. The projected go-live of is expected in early October.

**Presentation given; discussion held. No formal action taken.**

D) Investment Activity Report

1. TSRS Quarterly Investment Review for 06/30/2020 – Callan LLC

Gordon Weightman provided an update on the Q2 market and economic activity. He mentioned that this is the fastest bear market the US has ever seen with the early government stimulus package contributing to the bounce back. He also referenced that the stock market is happy with the current fiscal and monetary policy employed by the Fed.

Gordon also provided an overview of the Q2 portfolio results and indicated that the TSRS portfolio hasn't quite made up for the losses sustained during Q1. Gordon referenced page 35 of the investment report and indicated the success the program has had specifically with asset allocation rank and the actual performance of the fund with respect to the passive benchmarks as established benchmarks. Over a 1% annualized of alpha over 10 years which puts TSRS in the 3<sup>rd</sup> percentile. Over the last 3 and 5 years, Gordon informed the Board that the plan has achieved tremendous success when compared to our peer groups.

Gordon mentioned the performance of Aberdeen and how they have started to bounce back in terms of performance and their style is starting to come back in favor in the market.

In summary, Gordon indicated that the portfolio is running on all cylinders and there are no major concerns with asset allocation or manager performance.

**Presentation given; discussion held. No formal action taken.**

- E) For the Board's Consideration
1. Is the 60-40 Asset Allocation Model Obsolete
  2. Local Plan Funding – August 2020
  3. Only 1 in 5 of the 143 Largest Public Pensions is Strong

F) Future Agenda Items

G) Adjournment

**Adjourned at 10:15 am**

**Members Remotely Present:**

**Mark Rubin, Chairman**  
**Ana Urquijo, HR Director (Departed at 9:50 am)**  
**Jeff Yates, Finance Director**  
**Kevin Larson, City Manager Appointee**  
**James Wysocki, Elected Retiree Representative**  
**Jorge Hernandez, Elected Representative**  
**Michael Coffey, Elected Representative**

**Staff Remotely Present:**

**Art Cuaron, Pension & Benefits Administrator**  
**Pete Saxton, Pension Manager**  
**Dawn Davis, Lead Pension Analyst**  
**Tina Gamez, Pension Assistant**

**Guest Remotely Present:**

**Catherine Langford, Yoder & Langford**  
**Gordon Weightman, Callan LLC**  
**Dana Woolfrey, Gabriel, Roeder, and Smith**



Mark Rubin

9/22/2020  
Date

Chairman of the Board



Art Cuaron

10/7/2020  
Date

Pension & Benefits Administrator