

**TUCSON SUPPLEMENTAL RETIREMENT SYSTEM
BOARD OF TRUSTEES
MEETING MINUTES**

DATE: Thursday, January 23, 2020
TIME: 8:30 a.m.
PLACE: Human Resource Conference Room, 3rd floor East
City Hall, 255 West Alameda
Tucson, Arizona 85701

Members Present: Kevin Larson, City Manager Appointee and Acting Chairman
Joyce Garland, Finance Director
James Wysocki, Elected Retiree Representative
Jorge Hernández, Elected Representative
Michael Coffey, Elected Representative (Arrived at 8:44am)

Staff Present Art Cuaron, Pension & Benefits Administrator
Pete Saxton, Pension Manager
Tammy Perry, Pension Assistant
Dave Deibel, Chief Deputy City Attorney

Guests Present Catherine Langford – TSRS Legal Counsel (via Telephone)
John O’Hare CTRA Representative

Absent/Excused: Ana Urquijo, HR Director
Mark Rubin, Chairman

Acting Chairman Kevin Larson called the meeting to order at 8:32am.

A. Consent Agenda (00:00-04:45)

1. Retirement Ratifications for December 2019
2. Retirement Ratifications for January 2020
3. November 2019 TSRS Budget vs. Actual Expenses
4. December 2019 TSRS Budget vs. Actual Expenses
5. November 2019 Board Meeting Minutes
6. TSRS November Investment Measurement Services Monthly Review
7. TSRS December Investment Measurement Services Monthly Review

Kevin Larson asks to modify and approve items 1, 2, 3, 4, 6 & 7 from the Consent Agenda, motion was made by James Wysocki, 2nd by Jorge Hernandez, passes unanimously (Ana Urquijo, Mark Rubin and Michael Coffey absent/excused).

A motion was made to approve item 5, subject to the changes distributed by Art Cuaron, by James Wysocki, 2nd by Jorge Hernandez, passes unanimously (Ana Urquijo, Mark Rubin and Michael Coffey absent/excused).

B. Call to Audience (04:46-04:55)

None heard

C. Administrative Discussions (04:56-07:08)

1. Investment Policy Statement Update

AUDIO RECORDING ON FILE WITH THE CITY CLERK’S OFFICE

Art briefed the Board on the status of the revisions. He has reviewed the revisions with Cassie and Gordie. They are going to undertake a complete rewrite of this document to make it more reader friendly and to clearly define the Board's role as well as Callan's in the Investment Policy Statement. They will bring it back for consideration in February.

Discussion held, no formal action taken.

2. TSRS Active Board Member Election (07:08-14:23)

Art discusses the process that he undertook for Mr. Hernandez' board seat that ends at the end of January 2020. Interested candidates had until 1/10/2020. Jorge was the only person who expressed interest. The Board can appoint him without an election. Joyce asks if it's normal that we don't have a lot of interest from the general population. Art confirms that it is normal from what he's witnessed. Mr. Wysocki says that in his tenure it's always been this way. He suggests that it might help if the members reached out to others. Art thinks it might be the qualifications and well as the time commitment. Kevin asks how attention is being brought, what the general process is. Art said the process he followed was to send it to the Public Information Office and they send it out as a stand-alone email to all active employees. As well as posted in all of the regular spots for those who do not have email. Jorge said he could take on this task and would be happy to help Mr. Coffey with getting the word out.

Discussion held.

A Motion to re-appoint Jorge Hernandez was made by James Wysocki, 2nd by Michael Coffey, passes unanimously (Ana Urquijo and Mark Rubin absent/excused).

3. Review TSRS Board Rule No. 4 – Employee Member Election (14:23-26:53)

Art briefly explains what the Rule currently says. The chairman of the nominating committee is the active employee who is not up for re-election. He would pick two board members to be on the committee with him and they would be responsible for outreach to bring candidates to the table for the Boards consideration in order to have an election. Instead Art has prepared the notice and sent it out City wide through NewsNet, gauged interested candidates and then he would bring that information to the Board for consideration because it's the Boards decision to put qualified candidates on the ballot. It should really fall to the nominating committee not the administrator. Cassie suggests that we can tweak the Rule a bit to say the nominating committee is both recruitment and nominating and we could use the entire 4th quarter to recruit. We could use the retreat in October as a starting point. We don't necessarily need to change the Rule just get the process started sooner. Kevin thinks maybe we put it on the August or September meeting agenda just to get it started a little earlier.

Discussion held, no formal action taken.

Direction was provided for staff to bring back a revised Board Rule 4 to include the language that was discussed during today's meeting.

4. TSRS FY 2019 Comprehensive Annual Financial Report (26:53-33:59)

Art briefed the Board on the FY 2019 financial report. There were no weaknesses found by the external auditors, everything is sound no deficiencies. We made all of the changes that our internal auditors suggested as of last years letter of governance. Except for 1 or 2 that our ERP department is working on. Joyce asks what the issue is with ERP. Art says his understanding is it's the workflow for approvals in HRM and them not making it a priority. Joyce said they should discuss offline about that in order to get it resolved.

Discussion held, no formal action taken.

Direction was provided to have the City's Internal Audit Division provide a follow up report on the progress of the TSRS Internal Audit undertaken during 2019.

5. City of Tucson Deferred Compensation Recordkeeper Update (33:59-40:30)

Art briefs the board on the process that the Deferred Compensation Board has made on choosing a new recordkeeper. We had not done an RFP ever. The process took 8-10 months. They awarded the contract to Empower Retirement. There will be a change in recordkeeper services from ICMA-RC to Empower. Transition begins on 1/27/20 and it's expected to be finished by June 30, 2020. Mr. Wysocki will coordinate with CTRA to have Art speak at their next meeting and explain the changes.

Discussion held, no formal action taken.

D. Articles & Readings for Board Member Education / Discussion

1. Most DB Plans Saw Little Funded Improvement in 2019
2. US Adds 145K Jobs in December, Wage and Labor Market Gains Consistent with Fed's Outlook
3. Tackling the Issue of Conflict on Public Fund Boards

E. Future Agenda Items (40:30-44:57)

Joyce and Art will be going before Mayor and Council at the March 3rd study session. They will provide a preliminary budget update.

Joyce wants to discuss the role the Board will have in the recruitment of the new Business Services director. That individual will replace her as board member.

F. Adjournment

Adjourned at 9:17am



Mark Rubin
Chairman of the Board
Date 2/27/20



Art Cuaron
Pension & Benefits Administrator
Date 2/27/2020