

DEFERRED COMPENSATION MANAGEMENT PLAN BOARD Regular Meeting Minutes

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Deferred Compensation Plan Management Board and to the general public that the Deferred Compensation Plan Management Board will hold the following meeting virtually (remotely) using Microsoft Teams on:

Thursday, August 12, 2021 at 9:00 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 DC BOARD ARE TRANSPARENT AND CONDUCTED OPENLY.

For those individuals new to Microsoft Teams, please download the application and be ready when the meeting starts using the following information:

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 213-293-2303, 872082571#](#) United States, Los Angeles

Phone Conference ID: 872 082 571#

[Find a local number](#) | [Reset PIN](#) [Learn More](#) | [Meeting options](#)

A) Call to Order

Chairman Joseph Barkenbush called the meeting to order at 9:00am

Roll call – Dennis Woodrich absent

B) Board Member Introductions

1. Deputy Director Human Resources – Elsa Quijada

Elsa briefed the Board on her employment history and qualifications as Deputy Director of Human Resources for the City of Tucson. Over her 10 years employed with the City of Tucson, she oversees Employee relations, Labor relations, and General operations. Prior to her employment with the City of Tucson, she has experience in different

incentive of \$50.00 credit to the plan when signing on with Empower. City of Tucson offered raises to all employees earlier in the year so a campaign to open new accounts and save more was offered which boosted our participant rates to 52%. This includes 141 participants also investing from the Fire Department who have elected to participate in the Empower plan as well.

Cassie asked if allowing fire fighters who are invested in both plans could cause them to be overqualified for the yearly cap contributions?

Jeff mentioned discussions have been made with the Fire Department to ensure over contribution is not an issue.

Dawn generates reports every October to ensure that over contributions for participants in the Nationwide and Empower plans do not exceed over contribution. Since reviewing every October, Dawn has not encountered any over contributions. This will continue to be monitored to ensure fire fighters that are contributing in both plans are not ineligible during the year.

Jeff continues with presentation which shows allocations of the plan being rolled over to personal IRA accounts from a specific group of participants. This spike in transfers from a particular department of the public sector has raised some concern.

Cassie mentions this is a topic the Board needs to adhere as critical because now this becomes a question of Fiduciary duty to protect our department employees and ensure that National Financial Services is acting on the best interest of the clients and possibly avoiding a potentially abusive situation for our public sector employees. The board should consider interest in coordinating with TPD department to perhaps receive a better idea of the situation where employees are electing to transfer funds into their own person IRA accounts. Close monitorization of this type of activity will be monitored, reported, and addressed with the Board.

Jeff mentions typically there is not an issue with individual choice to transfer funds, but when looking at the reports and seeing a concentrated person population going to one place through one broker it raises concern.

Art informed the Board on continuing efforts to monitor these accounts and since this information is based only on one quarterly report if same activity proceeds next quarter, then the Boards fiduciary responsibility will be to reach out to the department and set up a meeting to discuss this topic.

Michela gave a quick overview of how the \$50.00 incentive campaign which gave the plan estimated 349 participants who increased contributions to the plan or enrolled in the plan which increased the dollar averages to about 4.79%.

Joe questioned how much of the \$30,000 thousand dollar budget that was agreed and set aside to fund this incentive has been used?

Jeff mentioned it was estimated about \$3,500 dollars only used to date from the approved fund.

G) For the Board's Consideration

1. House Committee Approves Secure Act 2.0
2. Plan Sponsors Mostly Prefer Retirees Stay in Plan
3. Proposal – Pay Off Student Loans While Your Employer

G) Adjournment

**Motions to adjourn meeting made by Joseph Barkenbush, 2nd John O'Hare.
Motion passes 5-0**

Adjourned at 12:00pm

Members Remotely Present:

Joe Barkenbush, Chairman
Dennis Woodrich, Elected Member (Arrived late)
John O'Hare, Elected Member
Elsa Quijada, Deputy Director Human Resources
Vivian Newsheller, Deputy Director Controller

Staff Remotely Present:


Art Cuaron, Pension & Benefits Administrator
Pete Saxton, Pension Manager
Anita Hart, Benefits HR Manager
Dawn Davis, Lead Pension Analyst
Noemi Gonzalez, Pension & Benefits Administrative Assistant

Guest Remotely Present:

Catherine Langford, Yoder & Langford
Gordon Tewell, Innovest
Paul Nacario, Innovest
Troy Jensen, Innovest
Jeff Cruz, Empower
Micaela Palmer, Empower
Cory Sprott-Cox, Empower



Joe Barkenbush 5-16-2022
Chairman of the Board Date



Art Cuaron 5.20.2022
Pension & Benefits Administrator Date