

DEFERRED COMPENSATION MANAGEMENT PLAN MANAGEMENT BOARD 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, February 11, 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, 626440678#](#) United States, Los Angeles

Phone Conference ID: 626 440 678#

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A) Call to Order

Chairman Joe Barkenbush called the meeting to order at 9:00 AM

B) Consent Agenda

1. Approval of Regular Board meeting minutes from December 4, 2020^{Note 1}
2. Approval of Special Board meeting minutes from January 8, 2021

A motion to approve the consent agenda was made by John O'Hare, 2nd by Joe Barkenbush and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

C) Investment Performance Review and Discussion

1. Q4 Market Review

Troy summarized 2020 review showing a Net Provider Score of 9.4 out of 10 which was to be proud of but of course would strive to make better. He added that the City is encouraged to reach out regarding what want to see. Mentioned growth has been seen despite the economy. He touched on some important decisions that had been made and their impact. He then moved on to discuss cybersecurity which was increased area of focused now that most have switched to more digital. With all the secure data that is stored, have to ensure protected. He suggested a once per year deep dive of what the provider is doing in terms of cybersecurity. Providers such as Empower are spending millions to update their security efforts. On factor to look at is if the provider has some kind of insurance or guarantee policy in place that if any loss, will be reimbursed. Troy asked if the City would be interested in having Empower provide an overview of their security measures in place.

Art stated he would support that and coordinate to potentially have someone from the City's IT Team sit in and talk about what is done on the City side.

Chairman asked if would be added to future agenda item.

Art responded it would. To be scheduled possibly 3rd or 4th quarter.

Troy continued his presentation by reviewing the current structure as well as showing upcoming considerations. He also went over the fee review as well as the Investment line up structure.

Art asked Innovest to explain the date of measurement because it showed as of 9/30. Art requested the report may need to be modified to better compare "apples to apples" and make it more clear to the board what is being measured.

Gordon stated the number focused on in the report is the percent expensed for the plan. The number compares to industry average across the number of record keepers. Despite looking at the assets at different points in time, that percentage does not vary too much over time. May vary as participants and investments change.

Troy added that it was a combination of an annualized number and the moment in time of where at that point. Will be doing that more consistent of once per year.

Chairman asked if all the funds that transferred from ICMA, were they switched to a new shared class that does not have revenue sharing? When invested in ICMA, they did have revenue sharing record keepers. Are there new asset classes?

Troy answered that was correct and had been eliminated where possible.

Art added that there were no revenue sharing investments in portfolio and the board moved away from that. During the transition, Innovest guided on the streamlining of the fund lineup. Moved away from any revenue sharing investments.

Chairman asked if it was shifted to new shared classes.

Gordon confirmed that was correct. When moved to Empower, looked to eliminate any revenue sharing and pay other plan fees. He added there are some investments that can not fully eliminate revenue sharing which is reflected on the fee review. (21:38)

No formal action was taken.

2. Q4 Investment Fund Line-up Performance Review

Presentation given; no formal action was taken.

D) Empower Plan Analytics Review and Report

1. 457 & 401 Plan Review
2. 2021 Strategic Partnership Plan
 - i 2021 Communications Plan

Presentation given; no formal action was taken.

E) Administrative Discussions

1. Investment Policy Statement Review and Approval

A motion to approve the updated Investment Policy Statement was made by Dennis Woodrich, 2nd by Joe Barkenbush and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

2. Review of \$50 New Enrollment Deposit

A motion to accept the Incentive was made by Dennis Woodrich, 2nd by John O'Hare and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

A motion to set 400 new participants as target and set aside \$20K was made by John O'Hare, 2nd by Dennis Woodrich and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

3. Adoption of Secure Act Provisions
 - i In Plan Withdrawals at age 59.5
 - ii Adoption or birth of a baby in plan withdrawals

A motion to approve the Secure Act Provisions was made by John O'Hare, 2nd by Dennis Woodrich and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

4. Plan Adoption Agreement Amendments
 - i. Terminated Rollovers

A motion to approve Plan Adoption Agreement Amendments was made by Dennis Woodrich, 2nd by John O'Hare and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

5. Board Authority and Rules & Regulations

Presentation given; no formal action was taken.

6. Empower and Innovest Fee Disclosure

Presentation given; no formal action was taken.

F) For the Board's Consideration

1. Understanding TDF Glide Paths
2. Best Practices for ERISA Plan Fiduciary Governance
3. The Value of Having a Retirement Plan Committee Charter

G) Adjournment

A motion to approve the consent agenda was made by John O'Hare, 2nd by Joe Barkenbush and passes 3/0. (Jeff Yates and Ana Urquijo absent/excused)

Meeting Adjourned at 12:07 PM

Members Remotely Present:

Joe Barkenbush, Chairman
Dennis Woodrich, Elected Member
John O'Hare, Elected Member

Members not Present:

Ana Urquijo, HR Director
Jeff Yates, Finance Director

Staff Remotely Present:

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

Guest Remotely Present:

Catherine Langford, Yoder & Langford
Gordon Tewell, Innovest
Paul Nacario, Innovest
Troy Jensen, Innovest
Jeff Cruz, Empower
Michela Palmer, Empower
Faydra Romero, Empower
Rob Dwyer, Empower
Rachel Abbott, Empower
Marilyn Collister, Empower
Jason Winsky, City of Tucson
Jobe Dickinson, City of Tucson

 6-12-22

Joe Barkenbush Date
Chairman of the Board

 6.15.22

Art Cuaron Date
Pension & Benefits Administrator