

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, March 28, 2024, 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.

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, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 211 720 804 957
Passcode: 454n99

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Or call in (audio only)

[+1 213-293-2303, 526125004#](#) United States, Los Angeles

Phone Conference ID: 526 125 004#

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A) Call to Order

Mark Rubin calls meeting to order at 8:30 a.m.

Kevin Larson absent at roll call.

Jeff Whiting absent at roll call.

B) Consent Agenda

1. Approval of February 22, 2024, Regular Minutes
2. Approval of March 2024 Ratification Report
3. January 2024 Investment Performance Report

Motion to approve Consent Agenda made by Jorge Hernandez, 2nd by Jim Wysocki. Motion passes 6-0.

Kevin Larson joins meeting at 8:31 a.m.

C) Administrative Discussions

1. Actuarial Experience Study Review

Dana Woolfrey begins her presentation by explaining that the Actuarial Experience Study is a long-term view over several years. She states that pension plans need adjustments, and that these adjustments are determined by valuation assumptions. She notes on slide 10 that they recommend updating to the most recent mortality table MP-2020. Dana notes that there are small adjustments recommended for retirement and termination behaviors, as well as sick and vacation leave assumptions for Tier 1 members. She notes on slide 16 that the first economic assumption is inflation, and that they recommend leaving the inflation rate at 2.50%. She explains that the Investment Return Assumption is driven by the TSRS target allocation and needs to be stable. Due to the stability issue, the recommendation is to leave the investment return of 6.75% unchanged. She pulls the inflation rate of 2.50% into the Salary Increase Assumption, plus a base increase. On slide 25 Dana states that there is a recommendation to move the base increase from 0.5% to 1.0%. Related to the Salary Increase Assumption is the Total Payroll Growth, which Dana states they recommend leaving the current 3.0%. On slide 28 she breaks down the options that are open to the Board to vote on. She notes on slide 29 that there are recommendations for the Actuarial Equivalence Assumptions, which are separate from the Actuarial Experience Studies Assumptions. Notably, the assumptions used for the Mortality Tables, and updated the salary assumptions. Mark Rubin confirms after the motions are passed that the Board approved the "Recommended Recommended" column on slide 28. Catherine Langford notes that for the motion to change the actuarial equivalent assumptions need to be an addendum to the City Code.

Motion to adopt and approve the Actuarial Experience Study dated March 13th, 2024, made by Kevin Larson, 2nd by Jim Wysocki. Motion passes 6-0.

Motion to adopt and approve the Actuarial Equivalence Assumptions set forth in slide 29 of the March 16th, 2024, report made by Kevin Larson, 2nd by Jim Wysocki. Motion passes 6-0.

2. Callan Asset/Liability Contract Approval

Art Cuaron summarizes that the contract in question is a separate contract specific to the Asset/Liability Study that the board has previously approved. He notes that Catherine Langford has edits needed prior to finalization. She states that in our latest version of the contract with Callan, there were provisions that reflect the City standard practices. This includes having any disputes resolved in Arizona, as well as indemnification in favor of TSRS. Kevin Larson asks about the cost of this contract, Art states that the price of \$65,000 is the same as the last Asset/Liability Study.

Motion to approve the Asset/Liability contract subject to the legal modifications that Cassie Langford addressed made by Kevin Larson, 2nd by Jim Wysocki. Motion passes 6-0.

3. Review Proposed Code Amendment

Art Cuaron states that there needed to be a review of the definition of spouse, as it relates to a Registered Domestic Partnership. The change clarifies that the City does not acknowledge domestic partnerships, which affects beneficiary designations. Elsa Quijada inquires if there will be an impact to current beneficiaries based on the new amendment. Catherine Langford answers that this new provision will not affect any beneficiary designations already in place.

Motion to approve the proposed Code Amendment made by Kevin Larson, 2nd by Jim Wysocki. Motion passes 6-0.

D) For the Board's Consideration

1. Fiduciary Rule Nears Finalization
2. U.S. Public Pension Funding Best in Nearly 2 Years

E) Adjournment

Motion to Adjourn was made by Elsa Quijada, 2nd by Jorge Hernandez. Motion passes 6-0.

Adjourned at 9:27 a.m.

Members Remotely Present:

Mark Rubin, Chairman
Elsa Quijada, Deputy Director of Human Resources
Jorge Hernandez, Elected Representative
Kevin Larson, City Manager Appointee
Aaron Williams, Interim Deputy Director Controller
Jim Wyscoki, Retiree Elected Representative

Staff Remotely Present:

Art Cuaron, Treasury & Pension Administrator
Pete Saxton, Pension Manager
Anastacia Sanders, Pension Assistant

Guest Remotely Present:

Catherine Langford, Yoder & Langford
Dana Woolfrey, GRS
Paul Wood, GRS

Please Note: Legal Action may be taken on any agenda item

*Pursuant to A.R.S. 38-431.03(A)(3) and (4): the board may hold an executive session for the purposes of obtaining legal advice from an attorney or attorneys for the Board or to consider its position and instruct its attorney(s) in pending or contemplated litigation. The board may also hold an executive session pursuant to A.R.S. 38-431.03(A)(1) for the discussion or consideration of matters specific to an identified public officer, appointee, or employee or pursuant to A.R.S. 38-431.03(A)(2) for purposes of discussion or consideration of records, information or testimony exempt by law from public inspection.

Mark Rubin

Date

Chairman of the Board

Art Cuaron

Date

Treasury & Pension Administrator