

DEFERRED COMPENSATION MANAGEMENT PLAN 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 8th, 2024, 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, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 263 988 276 891

Passcode: LMFthE

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A) Call to Order

John O'Hare calls meeting to order at 9:03a.m.

B) Investment Performance Review and Discussion

1. Q4 2023 Market Review
2. Q4 2023 Investment Fund Line-up Performance Review

Jeff Cruz presents the 4th quarter 2023 City of Tucson Defined Contribution Plans Report. Total participant balances for the 457(b), 401(a), and 401(a) Contract Executives plans is \$301,181,053. Total participants with a balance between all 3 plans is 4,129. The current average balance for 457(b) participants is \$72,279. Top 4th quarter actions for participants at Retiretucsonaz.com site are contribution change, beneficiary update, and loan request. 457(b) payroll contributions (6 payroll periods for 4th quarter 2023) and rollover deposits into the plan totaled \$3,479,764.

C) Empower Plan Analytics Review and Report

1. Q4 457 and 401 Plan Review

Paul Nacario of Innovest started the Q4 2023 Report with a firm update. Innovest was selected as “Best Place to Work” by Pension and Investments for the 9th time in 10 years. Additionally, Innovest noted that we were selected as the Investment Consultant for the City of Goodyear’s 457 Plan on Q4. Paul then reviewed City’s history of decisions made by the Committee since the hiring of Innovest in 2019 followed by their quarterly topics and trends that addressed Secure 2.0. Paul highlighted Secure 2.0 provisions that became mandatory in 2023 and 2024 and provisions that are optional for 2023, 2024 and 2025. He said governmental 457 plans have until 2027 to implement plan document changes. Paul then addressed the City’s 457 and 401(a) plan design, deliverables from Innovest 2024, the Fee Review and finished with the plan asset allocation for the 457 and 401(a) plans.

D) For the Board’s Consideration

1. DC Plans Drive Interest in Real Assets

2. DOL Releases SECURE 2.0 Emergency Savings Account Guidance

Gordon Tewell of Innovest reviewed the capital markets for Q4 2023, addressing the performance of the various indexes. Gordon followed with a recap of 2023, reviewing the regional banks, commercial real estate, consumer spending, the Fed’s declared win on inflation, the bounce back of the 2023 equity markets and the bond market’s continued volatility. Additionally, Gordon provided commentary on diversification, focused on a periodic table of returns from 2014 to 2023, interest rates for 2024, inflation, and equity performance for Q4, year to date 2023, 3-year, 5- year and 10 - year returns. Gordon concluded the Innovest report by discussing the Manager Scorecard and table of returns.

E) Adjournment

Motion to adjourn made by Art Cuaron 2nd by Elsa Quijada.

Motion passes 5-0

Adjourned at 10:15 am.

Members Remotely Present:

John O’Hare
Gordon Tewell
Aaron Williams
Catherine Langford
Rolf Averill,
Elsa Quijada
Art Cuaron,
Paul Nacario
Jeff Cruz
Dawn Deporter
Angelica Cota