

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 13, 2025, 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 the meeting now](#)

Meeting ID: 229 466 428 059

Passcode: vb9aU3dc

Dial in by phone

[+1 213-293-2303..70006493#](tel:+1213293230370006493) United States, Los Angeles

[Find a local number](#)

Phone conference ID: 700 064 93#

For organizers: **[Meeting options](#)** | **[Reset dial-in PIN](#)**

A. Call to Order

Chairman Dennis Woodrich calls meeting to order at 9:09 am

B. Board Member Introduction

Board Members Welcomed Jobe, he is not yet sworn in and was unaware, he can do it virtually.

Pete has not been appointed and waiting to verify with City Attorney and Staff support.

C. Approval of Meeting Minutes

1. August 19, 2024, Regular Meeting Minutes

Item is being brought back at next meeting.

2. November 22, 2024, Regular Meeting Minutes Approved

Motion to approve the Meeting Minutes for November 22, 2024, with corrections to Rolff Avery Title Change made by Rolff Avery 2nd by Jason Winsky.

Motion passes 5-0.

3. December 5, 2024, Special Meeting Minutes

Motion to approve the Meeting Minutes for December 5, 2024, made by Terri Traaen 2nd by Rolff Avery.

Motion passes 5-0.

D. Innovest Q4 Report

1. Q4 2024 Portfolio Review

Troy and Sydney presented the Innovest 4Q24 Portfolio Report. Sydney provided a SECURE 2.0 review and a legislative update. The City's payroll operations are ready to implement the super catch up and Roth catch up provisions. The plan fee review showed that plan expenses continue to be well below a benchmark of similarly sized plans. Plan assets remained relatively flat, quarter over quarter.

There was one update to the fund manager Score Card: JPMorgan Mid Cap Growth's people concern has been upgraded to a new/no minimum concern. Innovest has monitored the portfolio manager change for a year and has conviction in the new management team's ability to run the strategy. T. Rowe Price Growth stock carries a continued minor concern due to performance, compared to peers; the fund ranks around the median of their peer group in recent time periods. The fund also announced a portfolio manager change, with lead manager Joe Fath expected to leave the strategy in September 2025. He will be replaced with Jim Stillwagon, who joined the fund as a co-manager starting January 1, 2025. Stillwagon has played an important role in the background of the fund research, for several years. Innovest will continue to monitor this change. JPMorgan Equity Income longtime portfolio manager Clare Hart retired from her role as portfolio manager on this strategy after 20 years at the helm. Co-managers Andrew Brandon and David Silberman have the experience to manage the portfolio following Clare's departure, as both have been on the strategy working with her since 2019. Innovest will continue to monitor this transition. T. Rowe Price Integrated Small Cap Growth's longtime manager Sudhir Nanda left the strategy in August 2024; he advised on the fund until he retired at the end of 2024. New manager Prashant Jeyaganesh worked closely with Sudhir Nanda during his time at T. Rowe Price. David Corris is new to T. Rowe Price but has two decades of managing both mid- and

small-cap funds. The strategy also began incorporating T. Rowe Price stock ratings into its stock selection process, a more qualitative measure to complement the fund's heavy quantitative approach. Given this change in process coincides with the manager change, this is a minor concern and Innovest will continue to monitor. The Invesco Developing Markets fund has a minor concern due to performance. This fund's performance has lagged its peers, struggling in several time periods. While these concerns will continue to be watched, there is no recommendations to make changes to the investment menu at this time.

E. Empower Q4 Report

1. Q4 457 and 401 Plan Review

Jeff Cruz presented the 4th quarter 2024 City of Tucson Defined Contribution Plans Review report. Total participant balances for the 457(b), 401(a), and 401(a) Contract Executives plans is \$328,566,460. Total participants with a balance between all three plans equals 4,227. The current average balance for 457(b) participants is \$76,953. 457(b) payroll contributions (7 payroll periods for 4th quarter 2024) and rollover deposits into the plan totaled \$3,658,739. The 2024Q3 Empower Quarterly Service document was reviewed. Topics included SECURE 2.0 provisions update.

F. Administrative Discussions

1. Analysis by Innovest on RFQ Recordkeeping

Troy presented a review of the capital markets, highlighting that inflation continues to be a concern for consumers and the Fed is watching those numbers closely. Market indexes were mixed for the quarter but mostly positive for 2024.

2. Empower Contract Renewal Discussion

Motion to renew the contract for recordkeeper servicers with incumbent vendor, Empower. Staff is authorized to work with Empower to establish and sign a new contract for a term of 3 years with optional renewal of annual renewal not to exceed 5 years annual renewals. This contract should be the same as previous contract except for the pricing which will be at a fixed rate offered by Empower for the entire length of the contract. Should any material issues arise during the negotiation and review, it shall be brought back to the Board for consideration to vote.

**Motion made by Terri Traaen 2nd by Jason Winsky
Motion passes 5-0.**

3. Board Meeting Type – Virtual or In Person

Motion to move to Hybrid Meetings.

**Motion made by made by Jason Winsky 2nd by Terri Traaen
Motion passes 5-0.**

G. Adjournment

Adjourned at 10:27 am.

**Motion to adjourn made by Jason Winsky 2nd by Rolf Averill.
Motion passes 5-0.**

Members Remotely Present:

Dennis Woodrich, Elected Member
Jason Winsky, Contract Officer
Rolf Averill, Contract Officer
Terri Traaen, Deputy Director of Human Resources

Staff Remotely Present:

Pete Saxton, TSRS Pension Manager
Angelica Cota, Pension & Benefits Assistant
Jobe Dickinson,

Approved:

Dennis Woodrich
Chairman of the Board

Date

Pete Saxton
Pension & Benefits Administrator

Date