

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:

Monday, August 19, 2024, at 11:00 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: 223 184 258 342

Passcode: EhhQBu

Dial in by phone

[+1 213-293-2303, 916309905#](#) United States, Los Angeles

[Find a local number](#)

Phone conference ID: 916 309 905#

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

A) Call to Order

Chairman Dennis Woodrich calls meeting to order at 11:01 a.m.

B) Approval of May 9, 2024, Regular Meeting Minutes*

Motion to approve the Meeting Minutes for May 9, 2024 made by Art Cuaron 2nd by Elsa Quijada.

Motion passes 5-0.

C) Investment Performance Review and Discussion

1. Q2 2024 Market Review

Gordon reviewed the 2nd quarter 2024 performance report. Gordon covered the annual updates of both the annual fee review and the advisor cost & services benchmark report. These pieces reflect ongoing monitoring of costs associated with plan operations, including fund managers, recordkeeping, administration, and investment consulting services. The plan costs continue to be below industry benchmarks for similarly sized plans. Gordon then provided a brief update on capital markets, highlighting that interest rates have remained elevated, but there are renewed expectations for rate cuts starting in September driven by continued declines in inflation and softening labor market statistics. It was noted that large U.S. equities continued to grow in the 2nd quarter, but less so than the first three months of the year. Both small U.S. equities and developed international equities categories were negative for the quarter, while emerging markets showed the strongest positive performance. No action taken.

2. Q2 2024 Investment Fund Line-up Performance Review

Troy then discussed the plan's investment lineup and there is no recommendation for changes. T. Rowe Price Blue Chip Growth remains noted for minor concerns pertaining to performance, but recent performance has been in the top decile of the peer group. Additionally, the JPMorgan Mid cap Growth Fund has a minor concern for People. Portfolio manager Tim Parton resigned from management of the fund after 19 years on the strategy. Felise Agranoff will take over lead PM responsibilities, and she brings with her 18 years of experience managing investment portfolios. Agranoff is joined by co-PM Daniel Bloomgarden who has been with the firm since 2015. The Invesco Developing Markets fund also has a minor concern for performance. This fund's performance has lagged its peers, struggling in the 3-year period. There was no recommendation to replace any of these products. No action taken.

D) Empower Plan Analytics Review and Report

1. Q2 457 and 401 Plan Review

Jeff Cruz presented the 2nd 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 \$318,150,821. Total participants with a balance between all three plans equals 4,234. The current average balance for 457(b) participants is \$74,401. 457(b) payroll contributions (7 payroll periods for 2nd quarter 2024) and rollover deposits

**into the plan totaled \$4,416,125. City of Tucson and Empower are beginning to prepare for National Retirement Security Month communications and in-person group meetings in October 2024.
Discussion held; No action taken.**

E) Administrative Discussions

1. Innovest Contract Renewal
2. Administrative Allowance Account

Motion to approve a renewal the Innovest portfolio solution contract for a period of five years, with one-year annual renewals. The first year rate to be held flat and a 2% escalator in the second year and the 4th year made by Art Cuaron 2nd by Jason Winsky.

F) For the Board's Consideration

1. Public Sector Workers Lack Confidence in Secure Retirement
2. Changes in Retirement Security from SECURE 1.0 and 2.0

Discussion held; No action taken.

G) Adjournment

Motion to adjourn made by Art Cuaron 2nd by Jason Winsky. Motion passes 5-0.

Adjourned at 12:43pm.

Members Remotely Present:

Dennis Woodrich, Elected Member
Jason Winsky, Contract Officer
Rolf Averill, Management Assistant
Art Cuaron, Pension & Benefits Administrator
Elsa Quijada, Deputy Director of Human Resources

Staff Remotely Present:

Pete Saxton, TSRS Pension Manager