



## **TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES 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 which will be open to the public:

**Thursday, January 22, 2026, at 8:30 A.M.**

Doors will open to the public at 8:15 am at 255 W Alameda, 8th floor east conference room.

or

This meeting can be accessed from your computer, table, or smartphone by clicking on the link below.

NOTE: one or more members of Tucson Supplemental Retirement System may participate by telephonic, video or online communications.

For those individuals new to Microsoft Teams, please download the application and be ready when the meeting starts using the following information:

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**TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES**  
**Thursday, January 22, 2026, at 8:30 A.M.**

A) Call to Order

**Chairman Mark Rubin Called the meeting to order at 8:30 a.m.**

B) Consent Agenda Approval of:

1. January 2026 Ratification Report
2. Minutes regular meeting December 18, 2025

**It was moved by Tarlton Ferrin, seconded by John O'Hare, and passed by a roll call vote of 6 to 0 to approve the consent agenda. Teri Traaen absent.**

C) Budget vs. Actual Report

1. Discussion of Revenues
2. Approval of report

**Lisa Lopez advised she had answered all the questions received at the last meeting.**

**Angele Ozoemelum confirmed that she no longer had any questions.**

**Board directed staff to change the formatting so that the report matches previous reports.**

**It was moved by Tarlton Ferrin, seconded by Angele Ozoemelum, and passed by a roll call vote of 6 to 0 to approve the Budget vs Actuals Report. Teri Traaen absent.**

D) Investment Performance Review - Callan

1. Large Cap Balancing Review
2. T. Rowe Price Sector Limit Breach
3. Champlain Organizational Changes

**Craig Chaikin said the performance review would be provided at the February 26, 2026, meeting, but there were a few items that should be discussed.**

**Tarlton Ferrin explained the Board had reviewed the small cap investment managers and after reviewing the balance of the large cap equity split, he wanted to make sure the trust is not overweight in any areas that could be too aggressive given market projections. PIMCO stocks plus and T. Rowe Price both seem like growth-oriented funds, BlackRock seems to be value oriented, and Alliance Bernstein could be characterized as core oriented.**

**Mr. Chaikin answered PIMCO Stocks Plus is a core fund. It is an S&P500 fund that implements through futures and swaps while investing the capital in a bond portfolio to get the S&P 500 and additional earnings. The trust has**

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two cores, one value and one growth funds in the portfolio. Callan chooses broad benchmarks for the different asset classes, and they tend to stay very close to those benchmarks to avoid timing the market. The plan does not currently match the S&P 500 index, which market fluctuations had made a little overweight towards growth, but the plan is very close to the S&P 500 in terms of style and market capitalization, and Callan is comfortable with the Plan's current position.

Mr. Chaikin advised the Board that T. Rowe Price approached Pension Staff and Callan due to a breach of their current investment guidelines, which currently state that they cannot invest more than 50% in a single sector unless that sector is over 50% in the benchmark. T. Rowe Price currently has more than 50% in information technology because the S&P 500 had more than 50%. The market then moved and the benchmark weight in technology dropped below 50%. T. Rowe Price is now asking for a modification to the guidelines that would allow them to own 50 basis points in addition to the 50% and add a ten-day period to bring the portfolio back into compliance. This issue is predominant in the large cap equity space because of market behavior. Managers are asking for a modification to the existing guidelines because the market no longer behaves as it did when the guidelines were adopted in 2012.

Tarlton Ferrin pointed out that the intention of the guidelines was probably to avoid overconcentrating to avoid larger losses when the market shifts. Care should be taken when considering whether to update the guidelines given their intent.

Mr. Chaikin advised that the Board has a custom account, so the guidelines are custom and the standard is plus or minus 10% around the benchmark. Callan will seek clarification on the standard used by T. Rowe Price.

Mr. Chaikin stated that Callan had been informed that significant organizational changes occurred at Champlain. Their performance has not been good for a significant period. In December they terminated ten people, which is significant in a small firm. One of the firm's partners was terminated and acknowledged his failure to properly oversee a portfolio manager who was holding on to poorly performing assets for too long. The poor performance followed by a large number of terminations is concerning.

Kimberly Swanberg pointed out that ten people were 25% of Champlain's organization.

Mr. Chaikin advised the Board has about \$35M invested with Champlain, which comes out to about 3.2% of the Plan funds.

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**The Board directed staff to bring Champlain to present at the meeting scheduled for February 26, 2026.**

- E) Administrative Discussions
1. 2026 Meeting Schedule
  2. Election Process
  3. Office and Organizational Update

**Lisa Lopez stated that with TSRS staff moving to the 8th-floor of City Hall the meeting locations had been updated to the 8th-floor conference room and some of the dates were incorrect in the schedule the Board approved in December. The updated schedule reflects meeting dates on the third Thursday of the month except for holiday months.**

**It was moved by Tarlton Ferrin, seconded by John O'Hare, and passed by a roll call vote of 6 to 0 to approve the 2026 Meeting Schedule with corrections to the memo date and meeting location. Teri Traaen absent.**

**Lisa Lopez advised that Kimberly Swanberg has been filling in and an election to fill that seat was necessary. According to the Board Rules and Regulation the elected employee representative who was not up for election would chair an election committee of two volunteers.**

**Catherine Langford clarified that the elections have been handled by the Plan Administrator in the past, but the Board Rules and Regulations require that Board members actively participate and oversee the process. This item is informational only today because the first step is the solicitation of interest.**

**Ms. Lopez advised the board of organizational updates among TSRS staff. The changes involve reevaluating the distribution of duties and a physical move to the 8<sup>th</sup> floor of City Hall. Staff will begin digitizing TSRS records utilizing OnBase, the system currently utilized by the City of Tucson. The use of the system will cost \$3,000 per year. The system is secure for the storing of confidential information as evidenced by it being utilized by the military at David Monthan Air Force Base. A temp will also be brought in to help with the digitizing work.**

- F) Future Agenda Items

**T. Rowe Price Sector Limit Breach Guidelines**  
**Champlain meeting**

- G) Adjournment

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**It was moved by John O'Hare, seconded by Angele Ozoemelum, and passed by a roll call vote of 6 to 0 to adjourn. Teri Traaen absent.**

**Meeting adjourned at 9:35 a.m.**

**Members Present:**

Mark Rubin, Chairman  
Dave Samer, City Manager Appointee  
Angele Ozoemelum, Director of Business Services  
Tarlton Ferrin, Active Member Representative  
Kimberly Swanberg, Active Member Representative  
John O'Hare, Retiree Representative

**Members Absent:**

Teri Traaen, Director of Human Resources

**Staff Present:**

Lisa Lopez, Interim Pension and Banking Administrator  
Dawn DePorter, Interim Pension Manager  
Anastacia Sanders, Pension Assistant  
Angelica Cota, Pension Assistant

**Guests Present:**

Catherine Langfors, Yoder & Lanford  
Craig Chaikin, Callan  
Gwen Lohmann, Callan  
Gar Chung, FIN-News