

Virtual Meeting Minutes

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the PARS 115 Trust Board and to the general public that the PARS 115 Trust Board held the following meeting, which was open to the public.

CITY OF TUCSON PARS 115 BOARD OF TRUSTEES

Monday, June 8, 2026, at 1:00 pm

1. Call to Order

Chairman Keith Dommer called the meeting to order at 1:01 p.m.

2. Consent Agenda

- b. Approval of Regular Meeting Minutes of March 9, 2026

It was moved by William Davis, seconded by Angele Ozoemelam, and passed by a roll call vote of 4 to 0, to approve the regular meeting minutes from March 9, 2026.

3. PARs Client Review as of March 31, 2026 – PARs (30 minutes)

Angela Tang advised that as of March 31, 2026, contributions in the amount of \$266.4M had been made for a total of \$911.4M since inception. Disbursements of \$404.3M were made and expenses totaled \$3 M. Total investment earnings came out to \$182.5M with an ending account balance of \$686.7M.

Carter Kimberly discussed the City's PSPRS funding status. Police and Fire. As of June 30, 2025, Police and Fire tiers 1 and 2 have about an unfunded liability around \$1.24B for a funding rate of about 37.4% for police and 39% for fire. Tier 3 is much stronger because of the pension reforms enacted for that tier. When the \$686M in the trust is included with the PSPRS assets the City's effective funded status is around 72%.

Ms. Tang explained that the \$380.4M in distributions, since inception, have been made at the City's direction to PSPRS, not to debt services.

4. Investment Performance Review – PFM Asset Management (45 minutes)

- a. Investment Performance Review as of March 31, 2026
- b. Investment Performance Review as of April 30, 2026
- c. Asset Allocation Study

Jeff Kletti provided the investment performance review. U.S. equities, as represented by the S&P 500 Index and the Russell 3000 Index, posted strong gains in April, returning 10.5% and 10.2% respectively. Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S. Index, returned 9.7% in April. Developed markets, represented by MSCI EAFE Index, returned 7.5%. In April, yields rose slightly along the Treasury yield curve as markets saw increased expectations for a more restrictive path for rates. During April, real estate investment trusts, as represented by the MSCI U.S. REIT Index and the FTSE NAREIT Index, both returned 9.0%. The conflict in Iran

continues to weigh on the global economy keeping energy prices elevated despite some recent moderation. The inflation outlook depends on the duration of the Middle East conflict and degree to which higher energy and commodity costs raise core goods and services prices. Near-term inflation expectations have increased due to higher energy prices while long-run expectations remain anchored. The conflict in the Middle East has tightened U.S. financial conditions. The duration of the conflict and its impact on the economy will be a key driver of corporate fundamentals. Geopolitical conflict, higher energy prices, and the evolution of the economy are key risks to watch. Labor market conditions continued to cool with net new job creation close to zero. Recent sell-off has led to improvement in valuations across U.S. equities and credit markets. Resilient growth, strong earnings growth and profit margins are supportive of the current valuations. Any prolonged disruption to energy or elevated geopolitical uncertainty warrant caution. Conflict with Iran and the ongoing geopolitical uncertainty are impacting risk assets negatively. Geopolitical uncertainty is expected to remain elevated in the near term. Tariff related uncertainty and upcoming mid-term elections in the U.S, also warrant attention.

5. Administrative Discussion

- a. Financial Plan
- b. Board Vacancies

Chairman Keith Dommer clarified that the Board had previously been presented with a 30-year plan document with expectations for how and when the plan assets would be used, and the timing of some of the payments. The information will be helpful for the Board to make decisions regarding investments and provide transparency for the public. The Board has not received an update in quite some time.

Anna Rosenberry explained that an application has been submitted to the City Manager's Office for consideration for the current Board Vacancy.

Chairman Keith Dommer will be submitting his letter of resignation effective September 30, 2026. It could be a good idea to look for additional Board members within the public safety community.

6. Call to the Audience

Jason Adler, local PSPRS Board member, stated he was attending the meeting.

7. Future Agenda Items

- a. **Board Rules and Regulations**
- b. **Investment Policy Review**
- c. **Financial Plan**
- d. **Election of Chairperson**

8. Adjournment

It was moved by Angele Ozoemelum, seconded by William Davis, and passed by a roll call vote of 4 to 0, to adjourn the meeting.

Meeting adjourned at 1:46 p.m.

Members Present:

Keith Dommer, Chairperson
William Davis, Board Member

Anna Rosenberry, City of Tucson CFO
Angele Ozoemelum, City of Tucson Business Services Director

Board Members Absent:

Vacant, Board Member

Staff Present:

Lisa Lopez, City of Tucson Interim Pension and Banking Administrator
Dawn DePorter, City of Tucson Interim Pension Manager

Guests Present:

Carter Kimberly, PARS
Angela Tang, PARS
Charles Frances, PARS
Jeff Kletti, PFM
Annette Gaston, PFM
Chad Stapleton, PFM
Jason Adler, Local PSPRS Board Member