

**Meeting Minutes – Deferred Compensation Committee**



**Date:** Friday, December 8, 2017

**Time:** 1:00 – 5:00 p.m.

**Room Location:** Auditor Conference Room 3A

Status: A – Attended | X – Did Not Attend

Status	Invitees	Title
A	Dave Houser	Chair
A	Peggy Moak	Vice-Chair
A	Eric Schroth	Secretary
A	Raeshell Forrester	HR Representative
X	Pamela Knorr	Member
A	Brenda Lagrone	Member
A	Michele Martin	ICMA – Managing Vice President
A	Erika Armstrong	ICMA – Regional Manager Northern California
A	Mark Tomasini	ICMA – Retirement Plans Specialist
A	Dave Ramirez	Empower – Client Relationship Director
A	Darren Wagerman	Empower - Key Retirement Plan Counselor
A	Vincent Galindo	Hyas Group – Senior Consultant

**Approval of Prior Meeting Minutes:**

Approved

**Public Comment:**

None

**Business:**

1. Vincent Galindo discussed the health of the economy and the health of the retirement plans. The economy is growing well which is reflected in the plans. An FOMC interest rate increase is likely in December.
2. Alternatives to Invesco American Value R were discussed. Several of the alternatives would be acceptable. Some recommended funds may not be the most appropriate. Hyas noted that only

0.1% of the plan is invested in the fund. The committee decided not to pursue a fund change due to impending changes from the fee benchmarking study and due to the low rate of participation in the fund.

3. The existing funds on the watch list will continue to remain on the list. Hyas will provide a list of funds that meet the watch list criteria at each quarterly meeting. The committee asked whether VT Vantagepoint Core Bond Index should be on the list. Hyas will confirm the metrics applied to an index fund, in which case a watch may not be required.
4. Proprietary funds were discussed. It was suggested that the proprietary funds could be a component of low performance. Although deemed appropriate, they may not be the most appropriate. The committee asked which funds were proprietary. Hyas responded that Vantagepoint and Great West not associated with another company are proprietary. VT and Great West in partnership with another company are not proprietary.
5. Record keeping fees were discussed. According to Hyas, the fees are not reasonable and can be lowered significantly. The committee asked how the fund lineups stack up against other counties. Hyas responded that the menus offer typical lineups. Hyas noted that with the fee study, it will be important to hire a record keeper without regard to the fund lineup. It is not the record keeper's role to suggest funds. Once a record keeper is hired, the fund lineup can be constructed with funds that are in the best interest of county participants. Per Hyas, the competitive landscape has improved over the past several years.
6. The committee discussed the differences between an RFP and RFQ. The committee wanted to know which elements of the RFP justify its high cost. Hyas suggested that the difference is impressive output vs. functional output and likened the difference to grading a term paper based on the weight and size of the submittal. Hyas said that an RFQ can accomplish nearly the same goal as an RFP, noting that the same firms will likely apply. It has been Hyas' experience that many committee members do not read the entire output of an RFP. The committee can also rely on the consultant to select a qualified provider. The committee wants to pursue a streamlined RFP that has 95% of the typical requirements, but omits some of the heft.

Brenda Lagrone made a motion and Dave Houser seconded it.

**MOTION:** Request that Hyas provide pricing for a streamlined RFP.

**VOTE:** Motion approved unanimously.

7. Peggy will schedule a meeting with union/employee representatives to meet with Hyas.

#### **ICMA Quarterly Review:**

1. Enrollments were up substantially for the last quarter, having increased from typically 5 to 29.
2. A new report is being developed that will be available soon to help identify employees who are participating but not contributing. The reports can be made available online to committee members and Hyas Group.
3. ICMA would like to raise the average contribution and noted that it is important to keep retired employees' assets with the plan sponsor.

4. ICMA will continue to offer offsite educational events, targeted messages via email, the savings boost calculator, James Collins CFP, and targeted webinars. The county will need to check whether targeted webinars are allowed. ICMA responded that recorded webinars are available on-demand for 30 days. The committee requested that an enrollment event be provided in Paradise, possibly at a county library.
5. Participants with more than \$100K in assets are eligible for financial planning at no cost.
6. ICMA recommended attending the NAGDCA conference in September 2018.

**Joint Session:**

1. The number of employees eligible to participate presented in Empower's report needs to be corrected. Empower responded that names are not being provided to Empower with a "check" indicating that the employee is eligible. The county would like to show eligible participants by department and classify them as active vs. terminated. The county does not want to show participants by name. Empower will work with HR to look at the file and see what is missing.
2. Hyas went over plan statistics. Some participants are in multiple target date funds and in both core and target date funds. Participants need to be educated as to asset allocation.

**Empower Quarterly Review:**

1. Empower presented alternative funds to Invesco American Value R, noting that Wells Fargo rises to the top. Hyas also selected it as a preferable alternative. Alternatively, assets could be moved to an existing fund. The committee decided to keep the fund on watch.
2. Empower would like to identify employees who are not participating in the plan.
3. The committee noted that Empower has not yet reached out to department heads beyond the Treasurer's Department. Empower requested that a list of department heads be provided.
4. The committee asked how many new participants enroll per quarter. Empower didn't know off hand, but estimated between 6 and 12. A report can be compiled.
5. HR requested that training be provided to use the plan sponsor website to access data.
6. Empower presented a video describing their security features.

**Outstanding Action Items:**

1. Hyas to provide a quarterly watch list
2. Hyas to provide streamlined RFP pricing.
3. Peggy to schedule meeting with union/employee representatives.
4. Empower to work with HR to resolve reporting requirements.
5. Committee to provide list of department heads to Empower.
6. Empower to work with HR to access data on website.

**Meeting Adjourned**