

Meeting Minutes – Deferred Compensation Committee



Date: Wednesday, March 2, 2016

Time: 2:00 – 5:00 p.m.

Room Location: HR Conference Room 3A

Status: A – Attended | X - Absent

Status	Invitees	Title
A	Brian Ring	Chair
A	Dave Houser	Vice-Chair
X	Eric Schroth	Secretary
X	Raeshell Forrester	HR Representative
A	Peggy Moak	Member
A	Brenda Lagrone	Member
A	Dennis Duarte	ICMA – Client Relationship Director
A	Mark Tomasini	ICMA – Key Retirement Plan Counselor
X	Dave Ramirez	Empower – Client Relationship Director
X	Brion Beetz	Empower- Client Relations Director
A	Darren Wagerman	Empower - Key Retirement Plan Counselor

Approval of Prior Meeting Minutes:

Approved as amended, M- Lagrone, 2nd Houser

Public Comment:

None

ICMA Quarterly Review:

1. ICMA provided handouts relating to:
 - a. Internet and VRU use by participants
 - b. Asset allocations by age groups

- c. Loan activity (20 loans in last 12 months). Mark commented that participants seem more willing to contribute knowing that they can borrow against their funds if needed. Another benefit – no hardship withdrawal requests received
 - d. Recommended sending out another announcement on availability of loans and other benefits to employees
- 2. Update on Roth IRAs – currently available and being processed. Any inquiries on Roth conversions should be referred to 457 Reps
- 3. ICMA prepared a watch list report that identifies funds with performance below the 50th percentile over 3-year and 5-year rolling periods. ICMA is not permitted to provide investment advice, but read from prepared text regarding underperforming funds. Eight funds were identified as underperforming.
 - a. VT Vantagepoint Inflation Focused- decision: retain as it is the only inflation focused fund available
 - b. VT Vantagepoint Equity Income – close and move to Invesco Diversified (M-Moak, 2nd Ring, approved 4-0)
 - c. VT T Rowe Price Sm-Cap Value – this fund has been closed per earlier committee decision
 - d. VT Vantagepoint MS Ret Inc. – keep on Watch List- asked for Alternate option
 - e. VT Allianz NFJ Dividend Value – close and move to Invesco Diversified (M-Lagrone, 2nd Houser, approved 4-0)
 - f. VT Vantagepoint Select Value- Watch for one more quarter
 - g. VT Vantagepoint Aggressive Ops – keep on Watch List. Restructured 8/2012. Requested ICMA provide an alternate option
 - h. Harbor International – close and move to Diversified International (M-Moak, 2nd Ring, 4-0 Approved)
 - i. VT Pimco High Yield – remove from Watch list (no longer meets criteria) (M-Moak, 2nd Lagrone, 4-0 Approved)
 - j. AMG TimesSquare Mid Cap Growth – remove from Watch list (no longer meets criteria) (M-Moak, 2nd Lagrone, 4-0 Approved)
 - k. VT Vantagepoint International – keep on Watch list (M-Ring, 2nd Lagrone, approved 4-0)
 - l. Goldman Sachs Mid Cap Value – put on Watch list (M-Ring, 2nd Lagrone, approved 4-0)
 - m. VT Vantagepoint Growth & Income – put on Watch list (M-Ring, 2nd Lagrone, approved 4-0)
- 4. ICMA offers a series of educational workshops aimed at educating fiduciaries, about 20-30 minutes per session.

5. The committee questioned why the Vantagepoint Milestone Funds dropped below the 50th percentile of its peer group. ICMA reiterated that the milestone funds have a conservative glide path that is appropriate for public sector employees, who tend to retire sooner than their private sector counterparts.

Outstanding Action Items:

- Empower to provide information regarding number of participants in Royce Total Return (RTRKX).
- Empower to remove Conservative Profile Fund for the Fund Review Report and Darren to call participants and inform them of change.
- Empower to provide information regarding the number of loans taken vs. the number of active loans.
- Empower verified that participants were not able to change their address through Empower's website subsequent to the meeting.
- County to authorize ICMA to provide a self-brokerage account and a 457 account for ICMA investors.
- ICMA to explain discrepancy in fees for VT Invesco Diversified Div between the Fund Costs and Revenue Report and the Fund Performance Report.
- ICMA to provide alternative plans for VT Vantagepoint Equity Income Fund and VT Allianz NFJ Dividend Value.

Joint Session:

- 1) Proposed changes to Bylaws to reflect recent contractual and administrative changes in the plan were reviewed and discussed. Motion made to accept changes: Houser, 2nd Lagrone, Approved 4-0 Bylaws to be submitted to the Board for acceptance (Brian)
- 2) Proposed changes to Investment Policy were reviewed and discussed. Motion made to accept changes: Houser, 2nd Lagrone, Approved 4-0 Investment Policy to be sent to the Board for acceptance (Brian)
- 3) The idea of conducting fiduciary training such as that shared by ICMA, was discussed. Empower has a similar program. It was decided it would be meaningful to have an educational presentation at each quarterly meeting to keep the committee informed and up to date and demonstrate due diligence in continuing education, with the first session to be on Employee Participation.
- 4) Needed updates to 457 Deferred Comp website were discussed. Peggy Moak offered to have Susan Peterson take a look to see if she could add some links to ICMA & Empower, and also to update minutes, etc. and see what might be done to make it more user friendly. TOO BUSY- NEXT QTR WILL TRY (JULY/AUG)

- 5) Three proxy votes on funds were conducted. Motion was made to vote with the Board recommendation on Funds listed: Moak, 2nd Lagrone,

Empower Quarterly Review:

1. **Darren Wagerman revealed that, due to a processing error, the following funds were not closed as directed by the committee at the 7-1-15 quarterly meeting:**
 - a. Lord Abbett Value (LVOAX) to be mapped to J.P. Morgan Intrepid Mid-Cap (PECAX).
 - b. Ridgeworth Small Cap Growth (SSCTX) to be mapped to PNC Multi Factor Small Cap Growth (PLWAX).
 - c. Great-West Money Market (MXMXX) to be mapped to the Guaranteed Government Fund (GGF).
2. Fund changes are typically done once a year unless there is a very compelling reason to do one sooner; however, **this error serves as a customer service issue and Darren committed to having the above funds closed, along with any others for which we were directing closure on at this meeting, with a May time frame in mind.**
3. **Additionally, the Conservative Profile participants were not mapped over to the Target Date Funds as promised, so that will take place at the same time. Profuse apologies from Empower.**
4. **Darren agreed to provide “what if” scenarios for all affected participants for Empower’s failure to act on the requested close-outs and concurrent transfers to authorized funds, and arrange for compensation to participants should that be warranted.**
5. The following funds were discussed:
 - a. Royce Total Return (RTRKX) 46 participants and \$8955 on deposit. Motion made to close fund and Darren is supposed to email the group with a proposed alternate investment option ASAP: Moak, 2nd Lagrone, Approved 4-0
 - b. Great-West Multi Manager Large Cap Growth Institutional (MXLGX) - The new managers are doing well and it is improving over time. The warning will probably drop to a pass by the next quarterly meeting, and the fund remains on Watch. (REPEAT)
 - c. Great-West T. Rowe Price Equity Income Fund (MXEQX) - The manager just stepped down and T. Rowe Price has replaced him with a top performer. The previous manager was holding cash which lowered return compared with its peers. The fund remains on Watch (REPEAT)
6. A Roth feature was added in April/May, and has seen some interest from participants.