

Deferred Compensation Quarterly Meeting
December 3, 2020
Virtual Zoom Meeting
1:00pm – 4:00 pm

Committee Members Present: Jim Sant, Utilities Director, Deputy
Kari Louie, Senior Compensation and Benefits Manager
Alice Phillips, Business Manager, IBEW 483
Chris Bacha, City Attorney, Deputy
Gary Buchanan, Human Resources Director
Andy Cherullo, City Finance Director (Interim Treasurer)

Committee Staff Present: Greg Settle, Hyas Group, Senior Consultant
Charles Lee, City Attorney, Deputy
Tammy Liddle Lobban, Management Analyst II
Monica Rutledge, Human Resources Specialist

Guests Present: Erika Armstrong, ICMA Relationship Manager
Matthew Frank, Fire Lieutenant
Peter Hoerber, ICMA-RC Regional Vice President, Northwest

MINUTES

The meeting began at 1:03 pm.

I. Review and Approval of Prior Meeting Minutes (Committee action item)

After introductions, Alice Phillips made a motion to accept the August 27, 2020 minutes as presented.

1st motion: Alice Phillips
2nd motion: Chris Bacha
All approved, motion passed.

II. City of Tacoma Staff: Review of Administrative Account and Plan Budget Update

Tammy Liddle Lobban presented on the Deferred Compensation Budget vs. Actuals to date. She reviewed the Administrative Account balance on hand and with the providers. She reviewed the adopted budget for 2021-2022, noting there is \$15,000 included for an RFP process.

- At the close of October, account balances were as follows:
 - ICMA-RC: \$194,139.65
 - NRA: \$46,131.27
 - Cash on hand: \$38,000.37

III. Hyas Group: Third Quarter 2020 Plan Review: ICMA-RC Program

Greg Settle presented the Third Quarter 2020 ICMA-RC Performance Report. Overall, the account balance is at an all-time high, and loans are down slightly at .7% from .8%.

IV. Hyas Group: Third Quarter 2020 Plan Review: Nationwide Program

Greg presented the Third Quarter 2020 Nationwide Performance Report. The plan currently has \$80,000,000 in assets and a \$2,000,000 positive cash flow.

V. Hyas Group: Third Quarter 2020 Combined Plan Investment Performance Review

Greg Settle reported that International fund performance overall was outstanding. Due to the Pandemic,

home improvement stores, the Tech industry, and on-line retailers are all showing positive growth. The Russell MidCap has shown a tremendous 12.6% rebound, in International markets as well.

The Hotchkis and Wiley High Yield Fund continued to underperform the standards of the Investment Policy Statement. After some discussion, the Committee directed the Hyas Group to prepare a manager search for alternatives in the high yield bond category. Greg will present this search at the next Committee meeting.

In addition, he noted that the DFA Targeted Value Fund has rebounded this year and that its performance no longer violates the standards of the IPS. The Committee took no action, leaving the fund on Watch status.

VI. ICMA-RC: Service Delivery Report and Planning Discussion

Peter Hoerber introduced Erika Armstrong as the new ICMA Relationship Manager. Erica reviewed the ICMA Website for the City of Tacoma with improved features, such as links to schedule individual appointments with Scott Berry or a Financial Planner, and registration for virtual financial webinars. Erika expanded on Certified Financial Planning (CFP) services available to employees and retirees to include 30 minute appointments at no charge, with no limits. Kari Louie expressed interest in co-branding on the ICMA-RC website offering employees wellness incentive points for viewing the financial webinars.

There was discussion regarding cash-flow concerns due to the difference in roll-ins vs. roll-outs of the plan.

Participant distribution and loan requests due to the Cares Act were discussed. A request was made to send out a reminder of options and services available to members.

VII. Hyas Group: Legislative and Regulatory Update

Greg Settle reviewed the “457 Plan Fiduciary Advisor” newsletter and discussed recent developments in the regulatory and legislative environment. He discussed the Secure Act 2.0 and the impacts it would have, such as an auto-enrollment requirement with an exemption for government plans, and a modification of minimum distribution rules from age 72 to 75.

The D.O.L. has proposed legislation for a change to the catch-up provision, adding \$10,000 at age 60.

The IRS has published the 2021 limits, there is no change: \$19,500/\$26,000 for 50+.

VIII. Update on RFP for Third Party Administrator

Kari Louie and Greg Settle reported on the RFP for Third Party Administrator project and noted that the RFP has been released, questions from interested vendors have been answered, and proposals are due for submission shortly.

The Committee discussed options to replace Teresa Sedmak on the Selection Advisory Committee. Andy Cherullo was selected as the replacement as he is serving as Interim Treasurer while there is open recruitment for the Treasurer position.

IX. Review of Meeting Action and Discussion Items for Follow-Up

- Greg Settle will begin a search for alternatives in the high yield bond category and bring information to the next Committee meeting.
- ICMA-RC will follow up with Kari Louie on co-branding the Wellness Program on the ICMA-RC website.
- ICMA-RC will review services available for post Cares Act promotion and support.

X. Questions / Open Discussion / Housekeeping Items / Next Meeting Agenda

Draft meeting minutes

Meeting adjourned at 2:40 pm