

Deferred Compensation
February 28, 2019
Tacoma Municipal Building
Room 138
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

Committee Members Absent: Teresa Sedmak, City Treasurer
Gary Buchanan, Human Resources Director

Committee Staff Present: Greg Settle, Hyas Group, Senior Consultant
Charles Lee, City Attorney, Deputy
Sam Benscoter, Management Analyst III
Hayley Falk, Management Analyst II
Cindy Johnson, Management Analyst II
Diane Peterson, Human Resources Specialist

Guests Present: Pete Hoerber, ICMA-RC Regional Vice President, Northwest
Corey Wiggins, ICMA-RC Vice President, Relationship Management
Scott Berry, ICMA-RC Retirement Plans Specialist

The meeting began at 1:05 pm.

Topic sequence was adjusted to accommodate the schedule for the Budget Management Analysts.

I. Review and approval of prior meeting minutes

The Committee reviewed the December 6, 2018 meeting minutes.

A motion to accept the December 6, 2018 meeting minutes as presented.

1st motion: Chris Bacha

2nd motion: Kari Louie

The motion was approved

II. Review of Administrative Account and Plan Budget Update

Trust Revenues for the 2017-2018 biennium were budgeted at \$222,825; at the end of the two years the Revenues were \$20,056 favorable to budget.

Trust Expenses for the 2017-2018 biennium were budgeted at \$222,825; at the end of the two years the Expenses were \$8,896 favorable to budget.

III. Hyas Group: Fourth Quarter 2018 Performance Review: ICMA-RC & Nationwide Programs

Greg presented the Fourth Quarter 2018 performance report. The Vanguard Mid Cap Growth Fund and the MFS Blended Research U.S. Core Equity Funds were underperforming the performance standards of the Investment Policy Statement.

Funds to remain on watch: Vanguard Mid Cap Growth Fund
MFS Blended Research U.S. Core Equity Funds

Also presented to the Committee was information regarding where rolled-out dollars from the Fire Fighters' Plan have been going in a report provided by Nationwide. Most of the assets that rolled out of the Plan in 2018 were transferred to ICMA-RC within the Plan. No other firm was seen to be gathering any significant momentum in taking assets from the Plan.

Greg provided an update on the new Fidelity index fund suite. Hyas Group researched the securities lending practices at both Vanguard and Fidelity and provided a document that compared them side by side. Specifically, Hyas looked at collateralization and how often the assets are marked to market to assure 100% collateralization and found both firms to be conservative in their approaches. The Committee decided to revisit this topic at the next meeting and took no action.

IV. ICMA-RC Service Delivery Report

The three ICMA-RC representatives in attendance reported on their 2018 Service Delivery.

The 2018 Performance Guaranteed Services have been met. Services include a contractual number of days on-site, consultations, seminars, and webinars from ICMA-RC representatives, Scott Berry, RPS, and Jim Reinke, CFP.

Three dates were given to choose from for the Realize Retirement Tour bus. The 2019 concept will be an escape room with a time machine to highlight the impact of inflation.

V. Hyas Group: Fourth Quarter Legislative and Regulatory Update

There is no indication that the new, relaxed hardship rules for 401(k) plans are going to be applied to 457 plans as well.

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

The Committee asked Hyas Group to make sure that the Committee has the latest version of the "Fees Make A Difference" piece, as HR intends to start using it in its daily practice. They will review and make sure that both the City Plan and the Fire Fighters' Plan pieces are up-to-date and sent to the City by March 22.

Greg informed the Committee the Hyas Group will be doing a client survey in the coming weeks. The Committee asked to have the survey sent to Diane Peterson for distribution to the members.

Meeting adjourned at 2:45 pm.