

DEFERRED COMPENSATION COMMITTEE AGENDA

Thursday, November 30, 2016 - 2:00 p.m.

**Anaheim West Tower – Utilities Large Conference Room
201 South Anaheim Boulevard – Ninth Floor**

- I. APPROVAL OF MINUTES: AUGUST 24, 2016
(Discussion/Take Action)
- II. PUBLIC COMMENT:
- III. OLD BUSINESS:
 - A. SUB-COMMITTEE REPORT ON PLAN DOCUMENT REVIEW
(Discussion/Take Action)
 - B. RFP FOR CONSULTANT SERVICES – FORM SUB-COMMITTEE
(Discussion/Take Action)
 - C. UPDATE ON VANGUARD TDF BALANCE FOR INSTITUTIONAL SHARE CLASS
(Discussion/Take Action)
- IV. NEW BUSINESS:
 - A. QUARTERLY PLAN REVIEW – Q3-2016
(Discussion/Take Action)
 - B. MESIROW REVIEW – Q3-2016
(Discussion/Take Action)
 - C. CYBER SECURITY AND BACK-UP PROCEDURES
(Discussion/Take Action)
 - D. BENCHMARKING
(Discussion/Take Action)
 - E. ICMA-RC UPDATES
(Discussion/Take Action)
 - F. ADMINISTRATIVE STAFF REPORT
(Discussion/Take Action)
- V. COMMITTEE MEMBER COMMENTS:
 - Committee Member: Debbie Moreno
 - Committee Member: Joe Romines
 - Committee Member: David Albaugh
 - Committee Member: Lisa Stipkovich
 - Committee Member: Lenette Wardinski
 - Committee Member: Dan DeBassio
 - Committee Member: Jason Motsick
- VI. TOPICS FOR NEXT MEETING – *Thursday, February 23, 2017* AWT – 9th Fl. Utilities Conf. Rm.
- VII. ADJOURNMENT

CERTIFICATION

I certify that a copy of this notice was posted by 5:00 p.m. on November 23, 2016 at the City Council Chambers. Agenda documents are available for review in the Human Resources Office, 5th Fl, AWT. Signed: _____
Janice P. Garcia – H.R. Technician

**HUMAN RESOURCES
DEFERRED COMPENSATION COMMITTEE MEETING
9th Floor LARGE CONFERENCE ROOM
November 30, 2016
2:00 p.m.**

PRESENT: Jason Motsick, Debbie Moreno, Joe Romines, David Albaugh, Lenette Wardinski, Dan DeBassio, Lisa Stipkovich

STAFF: Moses Johnson, Janet Laszlo, Deidra Braun, Dona Vlha and Janice Garcia

GUEST(S): Lori Riley, Tom Axline, Walid Refai, Ryan Carpenter

Jason Motsick, the Committee Chair, called the meeting to order at 2:02 PM.

I. APPROVAL OF MINUTES

Debbie Moreno made a motion to approve the minutes of the August 24, 2016 Deferred Compensation Committee meeting. David Albaugh seconded the motion. MOTION CARRIED (7-0-0).

II. PUBLIC COMMENTS

None

III. OLD BUSINESS

A. SUB-COMMITTEE REPORT ON PLAN DOCUMENT REVIEW

Mr. Motsick informed the committee that this item will be tabled to the next meeting.

B. RFP FOR CONSULTANT SERVICES – FORM SUB-COMMITTEE

Moses Johnson explained the task and asked the committee to create a sub-committee for the RFP for consultant services. Joe Romines, Dan DeBassio and Mr. Albaugh volunteered to be members of the sub-committee with Mr. Johnson as the legal advisor. Lisa Stipkovich made a motion to create the sub-committee comprising of the three volunteers. Ms. Moreno seconded the motion. MOTION CARRIED (7-0-0).

C. UPDATE ON VANGUARD TDF BALANCE FOR INSTITUTIONAL SHARE CLASS

Lori Riley reported that as of October 31, 2016, the Vanguard TDF assets totaled \$96,298,252 and nearing the \$100 million threshold to be eligible for the institutional share class. Ms. Riley will invite Garet Hedland and/or Keith Mekenney from Vanguard to speak at the next quarterly meeting by teleconference call.

IV. NEW BUSINESS

A. QUARTERLY PLAN REVIEW – Q3-2016

Walid Refai started the 2016 third quarter review by discussing the economic highlights of the quarter which includes current trend in global growth, labor market and inflation and interest rates. Mr. Refai also reviewed the performance of the domestic equity markets, fixed income markets, international equity markets and the capital market returns. Mr. Refai discussed the fund performance of the Stable Value/Cash Management Funds, Bond Fund Returns, Guaranteed Lifetime Income Fund Returns, Target-Risk/Target Date Fund Returns, US Stock Fund Returns and the International/Global Stock Fund Returns.

B. MESIROW REVIEW – Q3-2016

Mr. Refai reviewed the Mesirow POLICE report as of September 30, 2016. Columbia Acorn Z is still on the watch list for performance and organization due to change of portfolio manager effective January 1, 2016 and a trailing one, three and five-year returns. The VT Equity Income Fund that was on the watch list last quarter has been removed because of performance improvement with a 17 percentile year-to-date and 28 percentile for the one year period. The Vanguard Target Date Funds will remain on the watch list and will be monitored for three consecutive quarters due to organization changes.

C. CYBER SECURITY AND BACK-UP PROCEDURES

Ms. Riley discussed the current security controls implemented by ICMA-RC since December 2015 to protect the participant's accounts which include partnering with two vendors who work in the background to identify potential fraudulent activity. ICMA-RC will also educate participants on the need to protect their account against fraudsters either through a workshop as suggested by Mr. Johnson or an email notification with a video. Ms. Riley also discussed ICMA-RC's business continuity program and their Disaster Recovery Plans to recover and resume business operations within 24 hours after the onset of a situation that warrants a disaster declaration.

D. BENCHMARKING

Ms. Riley reported that sixty two plan sponsors responded to a benchmarking survey conducted by NAGDCA. Out of the sixty two, only twelve are within the plan asset range with majority of those who responded are state and county plans that have a broader asset basis and are not considered the right benchmark for the City which is considerably smaller in size in comparison. Ms. Riley will present more benchmarking details at the next quarterly meeting together with education strategy focusing on PEPRAs employees.

E. ICMA-RC UPDATES

Ryan Carpenter presented the committee with the "Am I on Track" retirement tool. This new feature is available in ICMA-RC's Account Access and gives the

participants their score to help them determine if they are on track for retirement and also includes a proposed savings rate, retirement age, and asset allocation. Deferred Comp staff will advertise the new retirement tool in the monthly Benefits Bulletin.

Mr. Carpenter also shared that ICMA-RC's Realize Retirement Truck visited the Health Expo held on October 12, 2016 and around 800 people came and tried the virtual reality gadgets, selfies and were treated with prizes and free popcorn.

F. ADMINISTRATIVE STAFF REPORT

1. Dona Vlha informed the committee members that there will be a Meet and Greet with ICMA-RC's Technology and Administration staff to talk about the latest in ICMA-RC's technology and education strategies
2. Ms. Vlha encouraged retiree and employee representatives to participate in sub-committees for bigger events offered in May and June and during National Retirement Security Week.
3. Ms. Vlha informed the committee of a Fiduciary Rule Webinar on December 14, 2016 and she will be sending out an email to the committee for webinar details.

V. COMMITTEE MEMBER COMMENTS

David Albaugh – Mr. Albaugh commended Ms. Vlha for her presentation at the workshop and commented that the City of Anaheim is doing well in participation even without auto-enroll.

Jason Motsick – None

Dan DeBassio – Mr. DeBassio told the committee that it was a great conference with a lot to be learned and a great opportunity to grow. Mr. DeBassio attended the Ethical Training, Financial Wellness and realized how important retirees are to the balance of our plan.

Lenette Wardinski – Lenette Wardinski learned from a workshop the choice of the word “cost” instead of “fees”. Ms. Wardinski also attended workshops about cybersecurity and fee levelization.

Debbie Moreno – None

Joe Romines – Mr. Romines felt that the City's participation rate is better compared to other cities in attendance at the NAGDCA conference and felt pretty good about our fund line-up.

Lisa Stipkovich - None

VI. TOPICS FOR NEXT MEETING – Thursday, February 23, 2017 – RFP Sub-Committee Report, Plan Document Review, Vanguard with Guest, Education and Plan Strategy Update, Benchmarking, Financial Champions

VII. ADJOURNMENT

Ms. Wardinski made a motion to adjourn the meeting. Mr. Romines seconded the motion. MOTION CARRIED (7-0-0). The meeting adjourned at 4:04 p.m.

Respectfully submitted:

Janice P. Garcia
Deferred Comp Technician