

DEFERRED COMPENSATION COMMITTEE AGENDA

Thursday, May 18, 2017 – 2:00 pm

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

- I. APPROVAL OF MINUTES: February 23, 2017
(Discussion/Take Action)
- II. PUBLIC COMMENT:
- III. OLD BUSINESS:
 - A. PARTICIPATING EMPLOYEE & RETIREE REPRESENTATIVE RECRUITMENT – Sub-Committee Recommendation
(Discussion/Take Action)
 - B. SUB-COMMITTEE REPORT ON RFP FOR CONSULTANT SERVICES
(Discussion/Take Action)
 - C. SUB-COMMITTEE REPORT ON PLAN DOCUMENT REVIEW
(Discussion/Take Action)
- IV. NEW BUSINESS:
 - A. ANNUAL PLAN REVIEW – 2016
(Discussion/Take Action)
 - B. MESIROW REVIEW – Q1-2017
(Discussion/Take Action)
 - C. TACTICAL ASSET ALLOCATION: RESEARCH BRIEF
(Discussion/Take Action)
 - D. ICMA-RC UPDATES
(Discussion/Take Action)
 - E. ADMINISTRATIVE STAFF REPORT
(Discussion/Take Action)
 - F. COMMITTEE MEMBER COMMENTS:

Committee Member: Debbie Moreno	Committee Member: Joe Romines
Committee Member: Dan DeBassio	Committee Member: David Albaugh
Committee Member: Jason Motsick	Committee Member: Lisa Stipkovich
 - G. TOPICS FOR NEXT MEETING – *Thursday, August 17, 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 May 15, 2017 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
May 18, 2017
2:00 PM

PRESENT: Jason Motsick, Joe Romines, David Albaugh, Dan DeBassio, Lisa Stipkovich

ABSENT: Debbie Moreno

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

GUEST(S): Walid Refai, Lori Riley, Tom Axline, Ryan Carpenter, Roxanna Zavas – ICMA-RC, Mei Pan and Lenette Wardinski

Jason Motsick, the Committee Chair, called the meeting to order at 2:01 PM.

I. APPROVAL OF MINUTES

David Albaugh made a motion to approve the minutes of the February 23, 2017 Deferred Compensation Committee meeting. Joe Romines seconded the motion. MOTION CARRIED (5-0-0).

II. PUBLIC COMMENTS

None

III. OLD BUSINESS

**A. PARTICIPATING EMPLOYEE & RETIREE REPRESENTATIVE RECRUITMENT
– Sub-Committee Recommendation**

The sub-committee recommended Mei Pan for the first seat of the Participating Employee Representative position and Mr. Albaugh for the second active seat of the Participating Employee Representative position. Mr. Romines made a motion to appoint Ms. Pan to the position. Lisa Stipkovich seconded the motion. MOTION CARRIED (5-0-0). Dan DeBassio made a motion to appoint Mr. Albaugh to the position. Ms. Stipkovich seconded the motion. MOTION CARRIED (4-0-1). Mr. Albaugh abstained.

The sub-committee recommended Lenette Wardinski as the Retiree Representative. Mr. Romines made a motion to appoint Ms. Wardinski to the position effective July 1, 2017 through June 30, 2020. Ms. Stipkovich seconded the motion. MOTION CARRIED (5-0-0).

Mr. Motsick also made a motion that should a seat for the Participating Employee Representative be vacant within 18 months other than expiration of existing term, the vacant seat will be awarded to the next highest scored Employee Representative candidate. Mr. Romines seconded the motion. MOTION CARRIED (5-0-0).

Since the two seats for the Participating Employee Representative position have different terms, one with the one-year remaining term and the other, a full three-year term, Mr. Motsick made a motion for Mr. Albaugh and Ms. Pan to draw lots for the one year position. Mr. Romines seconded the motion. MOTION CARRIED (5-0-0). Mr. Albaugh drew the one-year term so Ms. Pan will receive the three-year position effective July 1, 2017 through June 30, 2020. Mr. Albaugh will continue his current term and add one year ending June 30, 2018.

B. SUB-COMMITTEE REPORT ON RFP FOR CONSULTANT SERVICES

The sub-committee received ten responses from the RFP for consultant services. The top three will be interviewed by the sub-committee on May 23, 2017. Dan DeBassio made a motion to hold a special meeting after the interview date to present their recommendation to the entire committee. Mr. Motsick seconded the motion. MOTION CARRIED (5-0-0).

C. SUB-COMMITTEE REPORT ON PLAN DOCUMENT REVIEW

Mr. Motsick made a motion to table the sub-committee report on plan document review after the selection of consultant for the RFP process. Mr. Albaugh seconded the motion. MOTION CARRIED (5-0-0).

IV. NEW BUSINESS

A. ANNUAL PLAN REVIEW – 2016

Walid Refai presented the 2016 annual plan review beginning with the economic highlights of 2016 with a discussion on Global Real GDP Growth, US Real GDP Growth, US Home Values, Unemployment Rate, U.S. Workers Confident Enough to Quit, Personal Consumption Index and Implied Expected Inflation. These were followed by an overview of the Capital Markets specifically on the topics of US Treasury Yield Curve, US Corporate Bonds, S&P 500 Index and Sectors. Mr. Refai also discussed the performance of the various funds under the City's line up in the Fund Review for the VT PLUS Fund and in the Investment Due Diligence Review - Morningstar Ratings vs. Peers for the PIMCO Fund, Vanguard Target Retirement Fund 2010, VT Equity Income Fund, VT Select Value, Columbia Acorn Z and Fidelity Small Cap.

Lori Riley continued the discussion with the presentation of the Plan's live data in the Client Summary Report with the emphasis of the significant growth of the plan's assets over the last five years, the positive cash flow and the annualized return of 7.4 percent. Ryan Carpenter addressed the concern of decreasing number of participant enrollments with Ms. Riley requesting a list of non-contributing employees for Mr. Carpenter to follow-up. Ms. Riley also discussed the campaign to increase employee participation and asset retention such as the Two-Minute Tutorial about the Benefits of Keeping Your Money in Your City of Anaheim account that can be distributed in HTML, mobile applications, gamification and a Wellness Champion campaign.

B. MESIROW REVIEW – Q1-2017

Columbia Acorn Z came off the watch list for performance due to improved performance but will remain on the watch for organization. The Vanguard Target Date Retirement Fund is also on the watch list for organization and in June 2017, the Vanguard Target Date Retirement Fund 2010 will move to the Vanguard Target Retirement Income Fund. The Vantagepoint Equity Income Fund and the Vantagepoint Select Value are both on the watch list for performance.

C. TACTICAL ASSET ALLOCATION: RESEARCH BRIEF

Mr. Refai and Ms. Riley explained that Tactical Asset Allocation is an ICMA-RC strategy in internal fund management based on a theoretical model of 60 percent equity and 40 percent fixed income. Mr. Refai discussed the six commonly used models to tactically structure a portfolio which are the Fed Model, Business cycle/macroeconomic signals, Fundamental-valuation signals, Momentum signals, Sentiment signals and Seasonal signals. The Tactical Asset Allocation has not been implemented by ICMA-RC.

D. ICMA-RC UPDATES

Ms. Riley inquired through Dona Vlha if the committee members are open to using an information sharing application such as Share Point or Sales Force that can store information such as virtual committee handbooks, plan documents, agendas and bench-marking reports and can be shared among committee members. Since Share Point is not being rolled out yet and the City is using Microsoft Office, Janet Laszlo recommended creating a directory on the shared server for committee members who are active employees with retiree representative using a flash drive to access shared information.

Ms. Riley also announced that she will be retiring at the end of the year and Roxanna Zavav will replace her as ICMA-RC's Relationship Manager.

E. ADMINISTRATIVE STAFF REPORT

Ms. Vlha informed the committee members that the registration for the NAGDCA conference has opened and inquired who among the members are interested to attend. Mr. Motsick, Mr. Romines, Mr. Albaugh and Ms. Wardinski expressed their intentions to attend the conference.

V. COMMITTEE MEMBER COMMENTS

David Albaugh – None

Jason Motsick – Mr. Motsick welcomed back returning committee member Lenette Wardinski and continuing member, David Albaugh. Mr. Motsick also thanked the sub-committee members for all their hard work.

Dan DeBassio – Mr. DeBassio shared that he completed the on-line Ethics Training and recommended *Unshakeable*, a book by Tony Robbins that may help millennial

employees by encouraging them to save. Mr. DeBassio also shared that new hires with low wages find it hard to contribute to the 457 program due to the high cost of living in Orange County.

Joe Romines – None

Lisa Stipkovich – None

VI. TOPICS FOR NEXT MEETING

Thursday, August 17, 2017 - Special Meeting, Provider RFP.

VII. ADJOURNMENT

Mr. Motsick made a motion to adjourn the meeting. Mr. Albaugh seconded. MOTION CARRIED (5-0-0). The meeting adjourned at 3:25 PM.

Respectfully submitted:

Janice P. Garcia
Deferred Comp Technician