

Lane County Deferred Compensation Committee
Meeting Minutes - Approved
February 15, 2019

- I. Steve Mokrohisky called the meeting to order at 2:39 PM. In attendance were Robert Tintle, Paul Graebner, Mary Miller, Christine Moody, Ron Hjelm, Greg Settle (Hyas Group). David Raffin (TIAA) attended via phone conference. Tanya Heaton and Clint Riley were absent.

- II. Approval of December 14, 2018 Committee Meeting Minutes, as corrected.

- III. Old Business
 - a. Greg reported that the Hyas Group audit of TIAA's revenue sharing error correction calculations and execution is continuing, and the most recent data received from TIAA indicated that some issues may remain. Greg will send a written summary of their review when it is completed, and update the Committee at the next meeting.

 - b. The Committee again discussed the large accrued balance in the Administrative Accounts and decided to enact a fee holiday for the second and third quarters, which will cover the full .18% annual fee and should reduce the Admin Accounts by about \$50,000. Greg will assist Mary with sending TIAA instructions for this fee holiday and with preparing a communication to participants about it, by no later than February 28.

 - c. The Committee continued discussing the increasing concern in the industry about cyber security and fraud prevention. Greg reported on the activities of the SPARK group that is working on cyber security standards, which has recently solicited help from the federal government in defining categories and standards. TIAA agreed to provide a written statement of its guarantees regarding cyber security and fraud losses to Lane County participants by the next meeting.

 - d. Mary presented options for the Financial Wellness Event. The Committee directed Mary to schedule ½ day events at 5:30 pm, 7:30 am, and 10:00 am at various County sites, to include a meal and presentations by PERS and NEDCO. The Committee approved a budget for \$3,000 - \$5,000 (i.e., for food, room reservations, materials and NEDCO's fee) to be paid from the revenue account.

- IV. New Business
 - a. The Committee reviewed the TIAA *Executive summary: Snapshot* as of the period ending 12/31/18: Participant and Service Activity Update: Assets = \$102.4 million (3.9% decrease year-over-year); Contributions = \$8.3 million (16.8% increase year-over-year), Distributions = \$8.9 million (21.1% decrease year-over-year); 1,965 participants= 1,045 active, 737 terminated, 183 other. Average balance is \$50,665. Engagement = 236 in person through December 2018. Virtual counseling will begin next quarter and will TIAA will send a Communication to Participants.

 - b. Greg reviewed the Fourth Quarter 2018 plan and investment performance report. One currently available Plan investment was found to be underperforming the Plans' performance standards, and is discussed below:
 - i. The American Beacon Large Cap Value Fund's underperformance continued; however, performance in 2019 year-to-date has been very strong. Recognizing the uniquely high

volatility of the fourth quarter and the fund's strong history, no action was taken by the Committee. Hyas Group will closely monitor the fund and report back at the next Committee meeting.

- c. Greg updated the Committee on Vanguard's minimal response to Fidelity's new low-cost suite of index funds and compared Fidelity's securities lending practices in index funds to those of Vanguard. The Committee again noted that the dollar savings for making a switch are minimal, due to the small amount of assets involved and the already low fees in this area and agreed to revisit this topic again later in the year.
- d. Greg presented the Hyas Group *4Q/2018: The 457 Plan Fiduciary Advisor* (Report on Regulatory and Industry News).
- e. The Committee discussed posting minutes on website for retirees who are plan members, and it was determined to be allowable.
- f. TIAA provided the *Terminated participants: Summary* as of the period ending 12/31/18. In accordance with the Plan Document, TIAA will process distributions for over 200 terminated participants with <\$1,000 balance.

V. Executive Session

- a. The Committee discussed the maturing of the contract with TIAA in mid-2020 and agreed to have Hyas Group prepare and present a benchmark study and a review of TIAA's services and fees at Lane County at or near the time of the next Committee meeting. Hyas Group will begin preparing this study and I will coordinate with Mary to set a time for the presentation.
- b. The Committee discussed adding Retiree(s) to the DC Plan Committee. The County's risk manager will be consulted to determine if a retired member would be covered by County's Errors & Omissions. Retiring member, Paul Graebner is interested in remaining on the Committee in some capacity if allowed.
- c. Mary attended the monthly PERS/VALIC presentation, and shared the information she received from the presenters.

Mary adjourned meeting at 4:02.

Attachments