

Lane County Deferred Compensation Committee
Meeting Minutes - Approved
February 23rd, 2018

- I. Steve Mokrohisky called meeting to order at 10:34. In attendance were Ron Hjelm, Robert Tintle, Tanya Heaton, Mary Miller, Paul Graebner, Greg Settle (Hyas Group), David Raffin (TIAA). Not present were Christine Moody, Clint Riley and Melissa McAlerney.

- II. November 17th committee meeting minutes were approved. (Will be posted on InsideLane.)

- III. Old Business
 - a. The Committee discussed the Admin Account and decided that later this year it would begin having TIAA retain admin fees deducted from participant accounts for the County's oversight expenses in a money market fund inside the Plan, rather than sending these proceeds to the County each quarter. Action on this topic and a review of the fee amount will be undertaken at the next Committee meeting. Hyas Group will bring a fee analysis to the next meeting showing how much revenue the present .06% fee will generate at various asset levels, as well as a look at potential lower fee rates.

Note: The fee change was completed and participants experienced the reduced fee effective 4Q 2017.

 - b. The Committee reviewed a new graphic illustration of the impact of higher fees on retirement investments, while drawing down funds in retirement that will be intended for employee education. The Committee had several suggestions for enhancements to this piece, which Hyas Group will incorporate in a revised version to be reviewed at the next Committee meeting.

 - c. Hyas Group provided a comparison of Minimum Withdrawal Benefits Products.

 - d. The Committee discussed the T. Rowe SV fund and asked TIAA about the possibility of performance tracking by month, vs. quarterly. It was commented that this enhancement may encourage exiting employees to leave funds in the plan.

- IV. New Business:

- a. The Group reviewed TIAA Report: Participant and Service Activity Update: Assets = \$106.5 million (11.5% increase year-over-year); Contributions = \$7.2 (16.6% decrease year-over-year), Distributions = \$11.2 million (49.3% increase year-over-year); 1,816 participants= 989 active, 628 terminated, 199 other. Engagement = 274 in person in 2017. It was noted that in 2017 a record high of over \$4 million in negative cash-flow was experienced by the Plan. David reported that no LC plan participants are buying TIAA's other financial services. A member mentioned that the wealth management advisor has been non-responsive, and it may be due to the County's request that TIAA not market other services to plan participants. David will follow-up with the advisor.

- b. Hyas Group reviewed the Fourth quarter 2017 plan and investment performance report. Three Plan investments were found to be underperforming the Plans' performance standards, and are discussed below:
 - The Artisan Small Cap fund has been rebounding strongly and finished 2017 very well, performing 4.93% above its benchmark. The Committee took no action.
 - The Victory Munder Mid-Cap Core fund finished 2017 with mid-pack numbers, which allowed its poor 2015 performance to drag it just below the Investment Policy Statement standards for five-year performance. It was noted that 2016 was a very positive year. The Committee took no action.
 - The Parnassus Core Equity had a difficult 2017, following a long string of years with solid out-performance. Greg recommended patience and the Committee took no action.

- c. Committee reviewed the 4Q/2017 Hyas Group Report on Regulatory and Industry News. (Posted on InsideLane) 457(b) and other forms of DC plans will not suffer from new limitations on contributions or other changes under the tax reforms signed into law in December.

- d. Other New Business- Committee requested that Plan documents be posted on InsideLane.

V. Greg presented fiduciary training to Committee. (Training materials are attached.)

Mary adjourned meeting at 12:04.

Items for next agenda on April 20.

- Hyas Group will bring a fee analysis to the next meeting showing how much revenue the present .06% fee will generate at various asset levels, as well as a look at potential lower fee rates. (Could include Budget adjustment for FY 18-19.)
- TIAA will report where the distributed dollars are going, and will research the relationship between Valic and the State.