

Lane County Deferred Compensation Committee
Meeting Minutes
June 15, 2018

- I. Steve Mokrohisky called the meeting to order at 1:40. In attendance were Ron Hjelm (arrived at 1:58), Christine Moody, Clint Riley (left at 1:57), Tanya Heaton, Mary Miller, Greg Settle (Hyas Group), and David Raffin (TIAA). Not present were Robert Tintle and Paul Graebner.

- II. **February 23rd committee meeting minutes were approved.** (Will be posted on InsideLane.)

- III. Old Business
 - a. The administrative fee level changed to .05% effective 4Q 2017. The fee level analysis indicated that the lower fee is generating sufficient funds. **Christine will report the current reserve in the budget account.**

 - b. **The Committee discussed the Admin Account and decided to continue administering this account in-house rather than having TIAA retain the assets in an in-plan money market fund.**

 - c. The Committee reviewed an updated graphic illustration of the impact of higher fees on retirement investments while drawing down funds in retirement, with edits recommended at the last Committee meeting. The Committee had a few more suggestions for enhancements to this piece, which Hyas Group will incorporate in a revised version that will be sent to Mary by 7/6/18. The approved version will be emailed to employees, posted on InsideLane, and shared with employees during one-on-one counseling sessions with TIAA.

- IV. New Business:
 - a. The Group reviewed TIAA Report: Participant and Service Activity Update: Assets = \$105.9 million (7.9% increase year-over-year); Contributions = \$7.6 million (9% decrease year-over-year), Distributions = \$11.2 million (23.8% increase year-over-year); 1,833 participants= 998 active, 644 terminated, 191 other. Engagement = 95 in person in 2018.

 - b. Hyas Group reviewed the First quarter 2018 plan and investment performance report. Three Plan investments were found to be underperforming the Plans' performance standards and are discussed below:

- The Victory Munder Mid-Cap Core Fund has continued its poor performance and the Hyas Group recommended considering replacements. **The Committee agreed and Hyas Group will prepare a manager search for the next meeting.**

-The Parnassus Core Equity Fund is rebounding this year and appears poised to return to compliance with the performance standards of the Investment Policy Statement at quarter-end. **The Committee took no action.**

- The Hyas Group reported that they have discovered that the revenue sharing proceeds associated with the Plans' three revenue sharing funds appear to be going into an Admin Account at TIAA rather than being credited to the participants invested in these funds. TIAA is investigating this and will be preparing a report on what has been happening and recommending a course of corrective action in the coming days. Hyas Group will monitor this situation and keep the County updated

- Hyas Group reported that the underperformance vs. benchmark for the PIMCO Real Return Fund was minor and that many leading funds of this type struggled in the first quarter. Hyas Group recommended patience and the Committee took no action on the fund.

- c. Committee reviewed the Q1/2018 Hyas Group Report on Regulatory and Industry News. (Posted on InsideLane)
- d. **The Committee decided to maintain the Plan's current SDBO max of 50% of assets, as it is reasonable level to protect plan assets.** A participant inquired about a higher limit so they could invest 100% of assets in socially responsible funds.
- e. Greg reminded the Committee that the Parnassus fund is the socially responsible fund, and the inquiring participant has been contacted by TIAA

Steve adjourned meeting at 2:45.

Items for next agenda.

- Hyas will update Committee on Manager Search to replace Victory Munder Mid-Cap Core.
- Hyas will report if the PIMCO Real Return Instl fund is back in compliance.
- TIAA will report on Admin Account and recommend corrective action.
- Christine will report the current reserve balance in the budget account.