457 Deferred Compensation Plan
Administrative Committee Regular Meeting
November 30, 2016
9:30 a.m. to 11:30 p.m.
Pier 69, Room 3CC-03

Members in Attendance
Eric Baird, Co-Chair, ICT Business Services
Milton Ellis, Labor Relations
Duane Hill, Accounting and Financial Reporting
Dayton Hostetler, Fire Department
Elizabeth Morrison, Co-Chair, Finance and Budget
Tammy Woodard, Human Resources

Staff in Attendance
Claudia Kay, Human Resources
Anika Klix, Human Resources
Julia Tanga, Police Department

Guests in Attendance
Greg Settle, Hyas Group
Peter Hoerber, ICMA-RC
Sonia Rogers, ICMA-RC
Corey Wiggins, ICMA-RC
Jim Reinke, ICMA-RC

Agenda

9:30 a.m. to 9:35 a.m. 5 minutes	Introductions/Minutes	Committee Chair
9:35 a.m. to 10:00 a.m. 25 minutes	• Financial Markets and Economic Report • Plan Performance Report – 3Q 2016 • The 457 Plan Fiduciary Advisor newsletter	Greg Settle, Hyas Group
10:00 a.m. to 10:30 a.m. 30 minutes	• Executive Summary Report – 3Q 2016 • Participant Services Report – 3Q 2016 • On-site activity – 3Q 2016 • Custom mobile app • Auto-rebalancing feature	ICMA-RC staff
10:30 a.m. to 10:45 a.m. 15 minutes	January Retreat	Committee
10:45 a.m. to 11:30 p.m. 45 minutes	Executive Session	Committee

The meeting was chaired by Elizabeth Morrison.

Elizabeth moved to approve the minutes from the 9/14/16 meeting. Eric seconded. All approved, none opposed. Minutes were accepted.

9:35 a.m. to 10:00 a.m.
Greg Settle, Hyas Group: Market update and plan investments

Greg presented an economic update for Q3 2016. It was noted that we have yet to see how interest rates, the stock market, taxes, etc. will be impacted due to the election. Home price averages reached all-time highs since 1986.

Q3 Plan Asset Allocations and Plan Investments: It was noted that there is a record high in the amount invested in asset allocation funds; fixed income is 18.7%; The plans had positive cash flow; the 457 plan has just under $158 million in assets.

Greg noted that the most popular investments have performed well since the election and if they continue that trend, they will be doing very well going forward. There were no underperformers. The Fidelity Strategic Fund remains on watch and we will see how it's doing by the end of the year.

457 Plan Fiduciary Advisor Newsletter: Regulatory Update: NAGDCA contacted DOL about the new fiduciary rule and a determination of new rules were discussed. It's possible that with the new administration in the White House, the fiduciary rules may unwind but it remains to be seen. NAGDCA has a benchmarking survey with about 67 employers. Hyas will be surveying 65 or so public sector clients and plan to provide the resulting benchmarking information to the Port and other Hyas Group clients next year.

Hyas is talking with clients and legislators about permitting auto-enrollment for all employers. Hyas also believes the state may push for legislation to require employers participating in their retirement systems to offer the state's 457 plan. The Port's plan has lower fees than the state plan does and Hyas hopes to impress that upon them. An update will be sent to the committee once some information has been gathered.

10:00 a.m. to 10:30 a.m.
Corey Wiggins and Sonia Rogers – ICMA-RC

Peter thanked the Port for choosing ICMA-RC in the RFP process for 2017 and beyond.

Q3 Executive Summary: The Committee reviewed a snapshot of Q3 for each of the plans.

457 asset trend line: It was noted that the plan is performing extremely well; assets have risen in the quarter; contributions are trending to be one of the best years ever; 1,160 active participants as of 9/30 are currently contributing to the plans; 445 remained in the plan but eligible to take money out.

Service usage report: Corey reported that it was the best year ever; mobile app usage has increased this quarter; service calls are still being utilized but people are taking advantage of the on-site servicing with the representatives.

There have been 172 new loans in last 12 months for a total of 232; total loan balance just over $2.7 million; there were 3 fewer outstanding loans at the end of Q3 than the end of Q2. If a loan is in default and they are still in service it's the onus of the Port to follow up with the employee, but there are no red flags.

Rollouts: $24 million to date. It was noted that the numbers are to be expected and there's nothing unusual. Three people took a rollout this quarter.

There was a discussion about possible changes in the new fiduciary rules.   Corey said that ICMA-RC acts in the best interest in its client base but there is some lack of clarity as to the specific role of the plan record-keeper and plan fiduciary.

Sonia Rogers reported that they are offering consultations and contacting people nearing retirement. Typically, an explanation of fees is offered and ICMA-RC is encouraging employees to go after the match with the 401a and positive results have been seen.

Jim Reinke reported that the webinars continue and recordings are posted on the website and available to view via the online scheduling system. Participants need to be encouraged to register even though it's listed at a specific time – you don't have to be present at that particular time because it's recorded. More CFP phone call appointments are available lasting an average 30-45 minutes per call. The webinar series will continue in January 2017 and they will be posted for about a month. ICMA-RC will track who attended and how many people utilized this feature.

Discussion about the custom mobile app and website will be deferred to the January retreat.

The Committee discussed the auto-rebalancing feature as an option to turn on and is a plan level decision if the Port chooses to offer it.

10:30 a.m. to 10:45 a.m.
Annual Retreat discussion
The date of the retreat will be January 29, 2017 – 9am – 4pm

The Committee discussed possible topics and a fiduciary training session.

The regular meeting adjourned at 10:45 and the Committee went into Executive Session to discuss the upcoming investment consultant procurement process..

The meeting adjourned at 11:23 a.m.