457 DEFERRED COMPENSATION PLAN
MINUTES OF ADMINISTRATIVE COMMITTEE REGULAR MEETING
August 17, 2015 at 9:00 a.m.

Members in Attendance
Eric Baird, Co-Chair, ICT Business Services
Duane Hill, Accounting and Financial Reporting
Dayton Hostetler, Fire Department
Tammy Woodard, Human Resources & Development

Members Absent
Elizabeth Morrison, Co-Chair, Finance and Budget
Mikel O'Brien, Labor Relations

Staff in Attendance
Claudia Kay, Human Resources and Development

Guests in Attendance
Greg Settle, Hyas Group
Jared Martin, ICMA-RC

Agenda

A. Minutes of May 19, 2015 meeting
B. Plan Performance Report – 2Q 2015
C. Financial Markets and Economic Report
D. The 457 Plan Fiduciary Advisor Newsletter
E. ICMA-RC Executive Summary Report – 2Q 2015 and plan updates
F. ICMA-RC educational activities report
G. Participant survey
H. NAGDCA conference attendees
I. Executive Session – Third Party Administrator procurement process
J. Open discussion

Copies of the following were distributed prior to or during the meeting and, by reference, are incorporated into these minutes:

- Hyas Group documents:
    - Performance Report for 2Q 2015
    - The 457 Plan Fiduciary Advisor
    - Financial Markets and Economic Report
    - Sample survey questions
    - Draft RFP project timeline
- ICMA-RC documents:
    - Executive Summary Report – 2Q 2015
    - Education and Communication Activity Report
    - Sample survey questions
- 2015-16 work plan
- Wilmington Trust PowerPoint

Eric Baird chaired the meeting.

A. The minutes were distributed electronically prior to the meeting. The following corrections were requested by the Committee: Correct the spelling of "Attendance" in "Staff in Attendanc" and remove "present until 3:15 p.m." by Mikel O'Brien's name.

Upon motion by Tammy Woodard, seconded by Duane Hill, the Committee unanimously approved the meeting minutes for May 19, 2015, as amended.

B. Plan Performance Report

Greg Settle reviewed the Plan Performance Report. The report now includes Labor Market Statistics on the first page. Greg stated that that no investments are presently underperforming the guidelines set forth in the Plans' Investment Policy Statement as of 6/30/15. There was a net cash flow of about $1.5 million for all plans combined.

Greg stated that the return of the plans' stable value fund, Columbia Trust Stable Goverrnment, was 0.28% for the quarter. He stated that other stable value funds have performed better and that returns of 1.5% annualized is not uncommon. 116 participants have the Columbia Trust Stable Government fund as their only investment option, i.e., currently about $6 million.

Greg mentioned that the participant asset-based fee reduction is going into effect July 1, 2015 and that the fee history chart on page 30 will reflect this in future reports.

During the report review, Greg shared that the Hyas Group conducted a participant survey for the City of Corvallis that has approximately 400 participants. There were about 140 survey respondents. 25% expressed interest in a lifetime guaranteed income option and about 78% planned to use their plan assets over a 20-year period.

C. Financial Markets Report

Greg presented the information in this report.

D. Fiduciary Newsletter

Greg provided commentary on several of the articles in the newsletter, including:

- The Supreme Court vacated a Ninth Circuit ruling that fiduciaries could only be held accountable for decisions made within 6-years of selecting an investment option and that ongoing responsibility to monitor investments was necessary.

- The Department of Labor clarified the safe harbor provision for ERISA plans regarding selection of an annuity provider. However, Greg stated that lack of portability of annuity options remains an outstanding issue.

- Greg discussed the changes to money market funds with the new regulations coming into effect in late 2016. The Committee may want to either make a change to move away from the Plans' current money market fund, or eliminate this asset class. The Hyas Group will prepare research to help the Committee decide how to proceed for the next meeting.

- Other than provisions that apply to a third party administrator's marketing of IRAs, the Department of Labor's proposed fiduciary standards will not apply to governmental plans. Jared Martin will determine whether the IRA information on ICMA-RC's distribution form needs to be revised.

E. ICMARC Executive Summary Report

Jared Martin stated that, of the plans he services, Port employees have the highest average personal rate of return and the lowest percentage in the stable value fund. He mentioned that the number of participants who are invested solely in the stable value fund has declined since ICMA-RC has serviced the plans. Jared stated that his staff could make contact with 457 and 401(a) plan participants who have defaulted into that option. He will also ask Sonia Rogers to provide a sample target email that the Committee could send to participants in the 401(a) plan for non-represented employees who do not have diversified holdings. Jared also noted that about $38.5 million are assets of approximately 349 terminated participants. He will look into how many of these participants are taking periodic withdrawals.

F. Educational Activities

Jared Martin distributed the Education and Communication Activity report. He said that thus far there have been no Roth conversions. Jared also commented that he would like to increase awareness of online tools, such as the withdrawal calculator.

G. Participant Survey

Upon the Committee's request, ICMA-RC will host a multiple choice online survey for up to three weeks for which no fee will be charged. The survey will attempt to assess the importance of a lifetime income option for participants as well as provide data to evaluate the suitability of the glide paths of target retirement date funds. The availability of the survey will be in the What's Happening email and on the Compass home page.

The Committee also wants this survey to be followed in a few months by a second survey which ICMA-RC would develop. The intent of the survey would be to evaluate whether services provided by ICMA-RC's on-site representatives are meeting the needs of participants. Jared suggested that the ICMA-RC survey would be developed after the results of the Committee's survey is complete in the event that data from that one could help shape theirs.

H. NAGDCA Conference Attendees

Eric will attend the conference and Mikel will check her availability.

I. Executive Session

The Committee convened into Executive Session at 10:55 to discuss the procurement process for the plans' third party administrator. The Executive Session was adjourned at 11:26 a.m.

J. Open Discussion

Julia Tanga expressed pleasure with the availability of increased investment opportunities with the changes to the self-directed brokerage option.

Adjournment: The meeting was adjourned at 11:29 a.m.