457 DEFERRED COMPENSATION PLAN
MINUTES OF ADMINISTRATIVE COMMITTEE SPECIAL MEETING
February 29, 2016 at 1:30 p.m.

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 & Development

Staff in Attendance
Claudia Kay, Human Resources and Development
Julia Tanga, Police Department

Guests in Attendance
Greg Settle, Hyas Group – arrived at 2:00 p.m.
Peter Hoerber, ICMA-RC
Jared Martin, ICMA-RC
Sonia Rogers, ICMA-RC

Agenda
A. Minutes of 8/17/15, 11/18/15, and 1/21/16 meeting
B. Hyas Group's Financial Markets and Economic Report, Plan Performance Report – 4Q 2015, and 457 Plan Fiduciary Advisor newsletter
C. Status of Washington State's auto-enrollment legislation and mandatory offering of State's 457 plan
D. Date to eliminate Vanguard Prime Reserve Money Market fund
E. Roth 457 deferral option discussion
F. ICMA-RC Executive Summary Report - 4Q 2015 and plan updates
G. ICMA-RC Educational Activities Report – 4Q 2015
H. Executive Session - Third Party Administrator Procurement Process

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

- Hyas Group
  - Performance Report for 4Q 2015
  - The 457 Plan Fiduciary Advisor
  - Financial Markets and Economic Report – February 2016
  - Vanguard Cost Reduction and Management Change – February 2, 2016

- ICMA-RC documents:
  - Executive Summary Report – 4Q 2015
  - Education and Communication Activity Report
  - dailyVest planANALYTICS reports

The meeting was chaired by Eric Baird and Elizabeth Morrison.

A. The minutes for August 17, 2015, November 18, 2015, and January 21, 2016 were distributed electronically prior to the meeting.

Upon motion by Dayton Hostetler, seconded by Duane Hill, the Committee unanimously approved the meeting minutes for August 17, 2015.

Upon motion by Duane Hill, seconded by Eric Baird, the Committee unanimously approved the meeting minutes for November 18, 2015.

Upon motion by Duane Hill, seconded by Dayton Hostetler, the Committee unanimously approved the meeting minutes for January 21, 2016.

B. This item was after agenda item D. Greg Settle presented the Financial Markets and Economic Report, Plan Performance Report – 4Q 2015, and 457 Plan Fiduciary Advisor newsletter. Greg mentioned that the Vanguard Target Retirement funds are reducing their fees by 2 basis points and that the Plan Performance Report includes the decreased participant administrative fee of 45 basis points.

C. Greg said that the State is actively pursuing legislation that would permit the State's 457 deferred compensation program to include an auto-enrollment feature. Greg received information from a legislative aide that this option would not be in violation of the State's anti-garnishment law because employees can voluntarily opt out. The Committee briefly discussed possible efforts to ask the State for this option to be available to employers who do not participate in the State's plan.

D. Jared Martin said he would find out the date ICMA-RC mailed letters that announced the closure of the Vanguard Prime Reserve Money Market fund to new investors. Sonia Rogers stated that she has made contact or left messages with participants currently using the money market fund to explain the upcoming change. Jared confirmed that the administrative account monies for the 457 and 401(a) plans are invested in the Columbia Trust Stable Government fund and not the money market fund. The Committee briefly discussed with Jared when the money market fund could be removed from the fund line-up.

Upon motion by Duane Hill, seconded by Tammy Woodard, the Committee unanimously agreed to remove the Vanguard Prime Reserve Money Market fund in June 2016.

E. The Committee agreed that adding the Roth 457 deferral option to the Port's plans would be delayed until after the third party administrator selection process is completed.

F. Jared presented nformation in the fourth quarter Executive Summary Report. He also distributed the dailyVest planANALYTICS Reports that illustrated various age ranges of participants by fund. He asked the Committee to let him know if they wanted age range information presented alongside other data points at future meetings.

Eric Baird also presented participant age data that was extracted from the survey that ICMA-RC helped create for the Committee. The responses to the other survey questions were also reviewed.

G. Sonia Rogers provided information about the educational and promotional activities she has been or will be conducting. She is planning an online scavenger hunt in May or June so that employees can become familiar with the ICMA-RC website. Sonia has been distributing electronic, age-specific flyers to some participants' personal email addresses. Participants have the ability to opt out of receiving ICMA-RC emails. Sonia said that Jim Reinke is continuing to conduct monthly meetings with participants and is also available for virtual meetings with employees.

H. The Committee and Greg Settle convened into executive session at 3:30 to discuss the third party administrator selection process.

Adjournment: The meeting was adjourned at 3:55 p.m.