

11/13/19 Deferred Comp Committee Meeting minutes

Pier 69 3CC03 9:30 to 12:00

Committee members in attendance

Elizabeth Morrison, Co-chair
Duane Hill
Milton Ellis
Taesan Hose
Tammy Woodard

Staff members in attendance

Anika Klix, Human Resources

Guests in Attendance

Greg Settle, Hvas
Corey Wiggins, ICMA-RC

<p>Approval of Minutes from 8/21/19: Duane Hill moved to approve the 8/21/19 meeting minutes. Milton Ellis seconded. All approved. None opposed. Minutes approved.</p>

ICMA-RC

Participant services: Corey reported on Rollover process enhancements that can be done online and will auto-generate an acceptance letter for the participants.

On-site activity: Sonia spent 42 hours on-site over the quarter and met with retirees off-site at locations that are convenient for them. Jim gave some presentations that were lightly attended. We may try to add skype options in the future for people who want to join remotely.

Fidelity Index Fund Transition Date: an employee communication went out explaining the transition from Vanguard to Fidelity.

Loan flyer: the committee reviewed the flyer and provided feedback for a few edits and approved it; a basic communication in regards to 457 loan pros and cons and information on the process and parameters will be sent out.

EZLink access email was sent to Committee members to grant them access to plan-level information.

Retiree Events: The first event at the airport went well. The second one will be a little more scripted and cover the website a little bit more as well as the Compass page. Each topic will have a Q&A session afterwards to allow for questions on particular subjects.

Survey Results: There was a 53% response rate to the deferred compensation survey that was sent out.

Strong indicators show that what we are offering are important to participants. More communication is needed to reach employees across the organization who are not receiving the messages. A follow-up email will go out to participating employees with an FAQ based on the comments written into the survey. Opportunity for education re: the Port match and PERS contributions.

Hyas Group:

Greg Settle presented the Plan and investment performance report for the quarter ending September 30, 2019. Two funds were found to be in violation of the Plans' Investment Policy Statement performance guidelines: The Artisan Mid Cap Value Fund and the American Funds Cap World Growth and Income R6.

- The Artisan Mid Cap Fund had a difficult third quarter, but still has strong YTD performance in 2019. The Committee decided to leave the fund on Watch and revisit its performance next quarter.
- The American Funds Cap World Growth and Income R6 is underperforming in 2019, although it has rebounded since the end of the third quarter. Hyas will review this fund's approach and provide an update at the next Committee meeting. Greg recommended to put the fund on watch. The Committee voted to place the fund on watch status.

Duane Hill moved to put the American funds cap world growth and income on watch. Milton Ellis seconded. All in favor, none opposed. Motion carries.

- Greg Settle updated the Committee on the Carillon Reams Core Plus Bond Fund. The fund has had mid-pack performance in 2019, but the rolling off of poor performance in 2014 has the fund back in compliance with the performance standards of the IPS. The Committee took no action.

Greg reported that he contacted Vanguard in October and sought to have the Port's Plans moved to the lower cost, institutional share class of the Vanguard Target Retirement funds, given that the Plans' combined assets are now just short of the \$100 million required for this fee reduction. Greg noted that Vanguard broke from previous practice and asked us to come back to them when the assets do exceed \$100 million, and they will then move the Port to the lower cost share class after confirming the asset level with ICMA-RC. The Committee voted to authorize Hyas Group to negotiate this share class change as soon as it can be accomplished.

Greg asked that a review of the updated "Fees Matter" piece that will include information about the availability of loans to retirees be moved to the upcoming Committee Retreat, as the printed copies he had received were not the correct versions. The Committee agreed and we placed this item on the agenda for that January meeting.

The Committee selected January 15, 2020 as the date for the Annual Committee Retreat. Anika asked that Hyas send her suggested dates for the rest of the Committee meetings in 2020 and they will do this by November 15, 2019.

Duane Hill moved to authorize the Hvas group to negotiate transition to the lower cost share class of the target date fund suite as soon as possible. Milton seconded. All in favor, none opposed. Motion carries.

Duane announced that the 401a plan is subject to an annual audit from a 3rd party auditor and reported in the Port's financial statements (full disclosure as opposed to just a footnote). ICMA-RC is assisting with pulling together the information. This is due to new GASB rules.

Retreat Agenda Planning: proposed date Wed. Jan. 15

Wrap-up/announcements: Tae reported that he enjoyed attending the NAGDCA conference. It was his first time and he learned a lot.

Meeting adjourned at 11:25 am