DEFERRED COMPENSATION COMMITTEE MEETING MINUTES
May 8, 2014, 9:00-10:30 a.m.
Portland Building – 4th Floor Human Resources Room 403

Present:	Cathy Bless Jennifer Cooperman Fred Miller
Administrative:	Jayson Davidson – Hyas Group Jeanine Keller Ken McGair
Presenters:	Bishop Bastien – Sr. VP Tax Exempt Markets – West Coast Melinda Lewis – ING Local Office Financial Planner Chris Muha – Information Technology Sales Support

- **Welcome** – No additions/changes to the Agenda

- **ING ANNUAL REVIEW**

  - **BECOMING VOYA**
    Bishop reviewed the timeframe ING has established to roll out its name change to VOYA. The expected change-over will be completed by September 1, 2014. The City can expect to see more ads during the summer months in the Media explaining the name change. ING/Voya's main mission is to be "America's Retirement Company". Their values include "Focused, Adaptable, have a Positive Impact on people's retirement outcome".

    - **PLAN REVIEW**

      - The Committee discussed its role regarding socially responsible investing, and what responsibility the City has regarding deferred compensation. Jennifer confirmed that the City's *Temporary Committee on Socially Responsible Investing* addresses the City's investment portfolio, but has no purview over deferred compensation assets because those assets are not City money. The assets are owned by the employee participants. The Committee does have fiduciary responsibility over the plan and has included socially responsible fund options within the Plan.
      - Total plan assets have experienced steady growth between 2009 and 2013
      - The Plan experienced a steady growth in contributions and had a good growth year in returns.
      - New Enrollments were 227 for 2013 which was a slight increase from 2012. New enrollments do not include participants who re-start contributions.

- ING will expand plan participation trend data by age group – the age groups of 40-49 and 50-59 range have the highest participation numbers
- Average Participant annual deferrals outranked the National Association of Government Defined Contribution Administrators (NAGDCA) average deferral rate ($6,391 annually compared to $3,833 of other 457 plans)
- The City's 457 plan Average Participant Balance compares favorably to ING's national benchmark within all age groups.
- Plan Diversification by Asset Class – Over 62% of City Participants utilize 4 or more funds compared to ING's Governmental Plans 2013 Benchmark which indicates participants utilize 3.1 funds. A concerned was raised as to number of participants who utilize just one fund – 964 out of 4,505. 390 of these participants are in a target date fund and 449 are in a stable value fund. The remaining are in various equity funds. The Committee requested additional information on fund diversification by age group. Bishop will review this request and send an update to Jeanine.
- Roth 457 – Implementation occurred in January 2013. 174 participants opened a Roth 457 account in 2013. The City attained a 5 percent participation rate in Roth during the first 12 months compared to the national general average of 5 percent.
- General retention of assets in the plan is about 94%.

- **PLAN ACTIVITY**

  - Melinda reviewed the ING local office activity regarding PERS assistance/counseling. She stated there is continued interest by City employees nearing retirement for overall retirement counseling. For many, this has included assistance with PERS paperwork. The Committee requested additional information regarding how long it takes to assist an employee with PERS retirement paperwork. Some concern was expressed on assisting employees with PERS paperwork, given that is not a responsibility of the City but rather a clear responsibility between the employee and PERS. Jeanine will review ING's local office role in PERS counseling assistance with Melinda and report findings back to Cathy.
  - Cathy reviewed the Auto Enroll provisions listed in the Plan Document. She confirmed this option would be limited to bargaining unit employees should a group elect this option.
  - Bishop reviewed local office activity of service days, PERS inquiries, Financial Planning Meetings, and Group Presentations.
  - The Committee asked if there is a general Retirement Checklist. Cathy summarized what is currently available to employees as they begin to think about retirement. There is quarterly retiree education sessions presented through the Benefits Office, as well as what is available through the Deferred Comp Website and at ING. The Benefits Office also works directly the PERS to schedule session at City facilities throughout the year. We have also included a financial security section within the l

Benefits Summary Plan Description (SPD) available to employees during the upcoming annual enrollment.
    - The Committee encouraged ING and the Plan Administrator to focus additional education efforts on the importance of supplementing a Pension and Social Security benefits by participating in deferred compensation.

- **MARKETING 2014 –** Time restraints only allowed a brief discussion.
    - The Benefits Office has initiated a "Bright Tomorrows" email campaign which have included "Pay Yourself First" and "Catch-up Provisions" as well as weekly reminder of benefits-related sessions provided throughout the City.
    - Jeanine and Cathy will work with Bishop and Melinda to formalize a City campaign for the ING name-change to VOYA.
    - Jeanine and Cathy are in the process of formalizing an Employee Self Service program to introduce later in 2014.
    - ING's and the City's continued focus will be to seek ways to inform and engage employees.

- **ING PLAN WEBSITE DEMONSTRATION**
    - Presented future roll-out of Orange Money feature of their website
    - The collection of data at their website will assist in targeted communications and making improvements to the website
    - Most of the features at the website are and will be available within the Voya Mobile App
    - Message Alerts can be created, for example, of reminders to participants who are age 50 and the additional contributions they can make
    - ING can track whether someone visits certain areas of the website and then track whether they take any action, for example, an allocation change to their account
    - ING will be rolling out a Personalized Dashboard and Action Plan – Cathy will work with Bishop to request this feature be added to the City's Plan when it becomes available (targeted for September).

- Fred presented a motion to accept the ING report and Jennifer seconded. The Committee voted unanimously to accept the ING report with additional age-distribution graphs on fund diversification, contributions, and participation to be distributed once provided by Bishop.

➢ **ACTION ITEMS**
    - Bishop and Jeanine - Provide additional graphs on age distribution for contributions, fund diversification and participation.
    - Bishop will check on availability on Large-City comparisons to the City's Plan and report back to Jeanine

- Bishop, Melinda, Jeanine - Create a campaign on the importance of diversification to those who allocate to one fund.
- Jeanine and Cathy - Provide more information to the Committee on marketing the Plan and what's in place for the near future.

- **Next meeting** will be August 14, 2014 – Hyas' Semi-Annual report to the Committee on Fund Performance

- **Meeting adjourned**