

DEFERRED COMPENSATION COMMITTEE MEETING MINUTES
ADVANTIS ANNUAL REPORT
April 30, 2015, 2:30-4:00 p.m.
Portland Bldg 12th Floor St. John's Room

Present: Cathy Bless
Jennifer Cooperman
Ken Rust

Administrative: Jayson Davidson – Hyas Group
Jeanine Keller
Ken McGair

Advantis: Laurie Wilson, Senior VP/Chief Financial Officer

1. **Welcome** by Jeanine

2. **Advantis Credit Union Annual Report**

- **Breakdown of deferred comp assets by tier rate** - Advantis presented information on the City of Portland deferred compensation assets including a breakdown of the number of participants by tier level. Noted was a decrease in number of participants from 2013 to 2014. Laurie will send a link from their website of the location of their monthly Rate Sheet.
- **New enrollments** for Advantis in 2014 were 31, a decrease from 2013.
- **Review of Advantis General Disclosures** – Advantis provided a Rate Schedule of all Savings Accounts including general disclosures. These disclosures are available on the New Member Agreement form signed by all new members. Committee requested review of the City's deferred comp general DC acknowledgement form and add language on the NCUA insured limit of \$250,000. Jeanine will review and send updated language to Cathy for review.
- **2-Year Treasury Notes Benchmark** - Advantis compared the benchmarks of the Federal Reserve Bank Discount Rate and the 2-year Treasury Notes against the deferred comp Annual Percentage Yield (APY) Laurie confirmed, upon the City signing a disclosure statement, provide it annual financial reports.
- **Credit Quality** – Advantis reviewed credit-quality scorecards on all their loans and then provided separate scorecards on First Mortgage Loans and Home Equity Loans. Credit scores dipped slightly between 2013 and 2014. Advantis loan underwriters continue to take a conservative approach. Committee asked additional questions regarding the Loan Delinquency Ratio (based on Assets only); and whether their credit score levels are intentional (yes).
- **Loan Portfolio** – Advantis reviewed their loan portfolio amounts comparing 2013 to 2014. Slight increase in used-car loans; Ratio of fixed to variable rates on loans is currently 58/42. Increase in mortgage loans due to pick-up in the real estate market in 2014. Advantis' current goal is to achieve a 10% loan growth.
- **Additional Information** –
 - Hyas asked with their new President in place, has Advantis had a shift in their strategy? No change in business strategy – continue to look for diversity in their loan portfolios.

- Advantis has offered to provide a copy of their Audited Financial Statement. Cathy will review their disclosure requirement form.
- Advantis distributed their 2014 Annual Report and noted that it is available at their website.
- Hyas asked if Advantis would be able to meet the contractual 6-month asset disbursement schedule if the contract were terminated. Advantis stated they would be able to meet the contract terms.
- Advantis reviewed the Callahan & Associates Return of Financial Value to its Members report. Advantis ranks third in the nation.
- Average age of members is around 42. Industry range is 46-47.
- Advantis investments are regulated and they continue to be conservative.

3. **Update on Advantis Account Balance Limitation Option** – Committee reviewed additional information on this option. Committee agreed to make no limitation on Advantis Account Balances based on the NCUA insured limit of \$250,000. Committee requested continued annual reminders be sent to those Advantis participants who are approaching the NCUA insured limit of \$250,000.
4. **Next meeting** is scheduled for May 8, 2015 at which Voya will present their annual report to the Committee.
5. Meeting adjourned