

To: Mayor Charlie Hales

From: Anna Kanwit, Human Resources Director
Cathy Bless, Benefits and Wellness Manager

Date: July 21, 2014

Subject: 2014 Leadership Award

The Bureau of Human Resources is proud to announce the City of Portland has been chosen to receive the 2014 Leadership Recognition Award through the National Association of Government Defined Contribution Administrators organization (NAGDCA). NAGDCA is a long standing professional organization comprised of deferred compensation/defined contribution plan administrators from all 50 States. NAGDCA is an organization working to improve government defined contribution plans through a sharing of information on investments, marketing, administration and laws relating to the public sector. The 2014 Leadership Recognition Award recognizes the outstanding achievements the City of Portland has provided its participants in the area of Plan Design. Jeanine Keller, the City's Plan Administer will receive the award on behalf of the City at the Annual NAGDCA Conference in San Antonio, Texas this September.

With the assistance of ING, the Hyas Group, and the Deferred Compensation Committee, the City of Portland changed its Plan design to a zero-revenue design in November of 2013. A zero-revenue design is a strategy that will save plan participants up to \$500,000 in fees over the 5 year contract period. Prior to the new plan design implementation, plan participants paid fees directly to the fund manager (e.g. Vanguard, PIMCO, Fidelity) based upon the balance of the participants investment. While the fee paid by participants in the plan was disclosed, the actual cost to the member was not transparent. Changing the City's investment portfolio to a zero-revenue design eliminates transparency issues and lowers the cost of participation with equivalent investment options. This change also balances the cost of administration through-out the plan. A small administrative fee (.04% to .09%) is now charged to plan participants based upon their election and is transparent to the member when they receive their quarterly statement of earnings.

The Bureau of Human Resources, Benefits and Wellness Office is delighted to share this achievement and will continue to protect our employee's financial health and retirement goals in strategic and innovative ways.



Charlie Hales, Mayor

We are an equal opportunity employer

Please notify the City of Portland of the need for ADA accommodations no less than five (5) days prior to any City-sponsored event by contacting the Bureau of Human Resources at 503-823-3572 or the City's TTY at 503-823-6868.

