

**CITY OF PORTLAND**  
**DEFERRED COMPENSATION COMMITTEE MEETING MINUTES**  
**October 27, 2016 / 2:00-2:45**  
**Portland Bldg, 2<sup>nd</sup> Floor, Human Resources Conf Room 1**  
**Special Session**

Present: Cathy Bless  
Jennifer Cooperman  
Ken Rust

Administrative: Jeanine Keller

Absent: Ken McGair

Hyas Group: Jayson Davidson

Observer: Hanh Tran - City

**1. Jeanine welcomed attendees.**

**2. Review Hyas Fund Manager Search Report for Social Fund Manager**

- The Committee reviewed the Hyas-prepared Socially Responsible Investment Manger Search Report.
  - All options have basic social responsible habits
  - Current Option – TIAA-Cref Social Choice Equity Fund – Fee is 18 basis points (bps). Tilts towards smaller companies which may at times cause it to have volatility slightly above that of its peers. Current 5-year returns 15.22%
  - Calvert US Social Index Fund – Has its own index, Fee is 19 bps, Strategy is Large Cap High Growth, Current 5-year returns 15.66%
  - DFA U.S. Social Core – Specific product exclusion, Fee is 29 bps, Current 5 year returns 15.66%
  - Vanguard FTSE Social Index Fund – Previously on City line-up, City is now eligible for a slightly cheaper share class (15 bps vs. 29 bps in Sept 2013), Same fund managers, Current 5 year returns 17.20%
  - Calvert and Vanguard options are the most consistent over the long term; Calvert and Vanguard options outperformed their index most often
- Committee Discussion
  - Committee agreed they prefer a socially responsible fund with less volatility; members leaned toward either Calvert or Vanguard
  - Provide a clear reason why we are moving away from TIAA.
  - Calvert invests only in U.S. stocks, Vanguard is not all U.S. stocks

- **Committee Action:**  
Cathy made a motion to move from the TIAA-Cref Social Choice Fund to the Vanguard FTSE Social Index Fund  
Ken seconded the motion  
Committee vote was unanimous in the affirmative  
Jeanine, Jayson, and Bishop will draft a communication and determine a date for this transition.

**3. Review MFS Investment Management Leadership Change:**

- Committee discussed the Hyas Group memo related to a recent executive level change at MFS Funds. Hyas review of this change believes that this development does not warrant any action.

**4. Follow-up from 9/8/2016 Committee Meeting – fund fee savings to the Plan since November 2013**

- Hyas distributed a more detailed report on cost savings. They estimated a total cost savings of \$1.47 million since the 4<sup>th</sup> quarter 2013.

**5. Fund Performance Flash Report for September 30, 2016**

- Hyas distributed a fund flash report for 9/30/2016 typically reviewed twice each year at June 30 and December 31 each year.

**6. Questions / open discussion –**

Committee requested a review of website information regarding the Stable Value options. Jeanine will review website information and provide additional comparison information on the fees assessed for the Voya Fixed Account and the Advantis Credit Union stable value options.

**7. Next Meeting – February 21, 2017 – Hyas Report.**

**8. Meeting adjourned**