



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Meeting Minutes - Approved DEFERRED COMPENSATION COMMITTEE

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Monday, June 16, 2014

9:00 AM

210 Martin Luther King, Jr. Blvd. (CCB)  
Room 118, Engineering

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### CALL TO ORDER / ROLL CALL

Others present: The Capital Group@Lincoln Financial Advisors - Mark Strassburger and Carrie Waters Schmidt. Alliance Benefit Group - John Blossom and Linda Blossom.

The meeting was called to order by Wirtz at 9:00 am.

Present: 7 - Brad Wirtz; David M. Gawenda; David Schmiedicke; Roger Allen; Mike Lipski; Lucia Nunez and Mark Hanson

### APPROVAL OF MINUTES

A motion was made by Lipski, seconded by Allen, to Approve the Minutes of the June 5, 2014 meeting. The motion passed by voice vote/other.

### PUBLIC COMMENT

No public comment.

### DISCLOSURES AND RECUSALS

No disclosures or recusals.

### NEW BUSINESS

- 1      [34433](#)      Investment and Plan information review including discussion of fund performance, any actions to be taken, and fund considerations as required.

**Fund Review—Fund Performance** information was presented by John Blossom based on attachment titled “City of Madison FIR 1Q2014.pdf.” Information on returns was based on performance through March 31, 2014 (Quarter 1) and 1 year returns were based on performance from April 1, 2013-March 31, 2014.

At the December, 2013 meeting, the following funds were either under scrutiny or on the watchlist:

Perkins Mid-Cap Value—Under Scrutiny  
Cohen and Steers Realty Shares—Under Scrutiny  
BlackRock Inflation Protected Bond Fund—Under Scrutiny

The Committee reviewed funds against the criteria outlined in the Investment Policy Statement (IPS). Any fund that missed on a number of the criteria outlined in the IPS was given greater review by the Committee and are discussed below.

BlackRock Equity Dividend Fund scored a 66, just below the scoring threshold of 70. While the most recent quarters indicate declining performance, its past performance had been positive. Morningstar indicates it is not time to panic regarding this fund. The Committee determined no action was necessary at this time.

The Calvert Equity fund scored 63. This is a socially responsible fund and has recently scored well in the performance monitoring report. The Committee determined no action was needed on this fund at this time.

The Goldman Sachs Mid Cap Value Fund and Perkins Mid Cap Value fund were discussed together. These funds are both in the same class. Both the Goldman and Perkins funds scored low in the report, with a 59 and 57 respectively. The Perkins fund was already under scrutiny and the Goldman fund had been under scrutiny by the Committee as recently as June, 2013. The Goldman fund also has a high expense ratio, at 1.14 basis points. The other funds have expenses below 1.00.

Alliance Benefit Group presented a few options for fund replacement. After review,

Gawenda moved to drop the Perkins Mid-Cap Value fund, put the Goldman Sachs Mid Cap Value fund on the Watchlist, and suspend additional contributions into the Goldman fund. Lipski seconded. The motion passed by voice vote.

Lipski moved to add the Prudential Mid-Cap Value fund as part of the model portfolios, map contributions currently going to the Perkins Mid-Cap Value and the Goldman Sachs Mid Cap Value funds into the Prudential Mid-Cap Value fund, and add the Invesco American Value fund as an additional option in the fund lineup. Allen seconded. The motion passed by voice vote.

The Allianz Small Cap Value fund scored 64. This fund has been closed to additional contributions since 2011, and only 13 participants are in the fund at this time. Gawenda motioned to remove the Allianz Small Cap Value fund from the lineup and map the current contributions to the Fidelity Advisor Small Cap Value fund. Hanson seconded. The motion passed by voice vote.

The Sentinel Small Company Fund scored a 54. The fund had a manager change recently and performance has been on the decline. Gawenda moved to place this fund under scrutiny. Lipski seconded. The motion passed by voice vote.

The Cohen and Steers Realty fund scored a 62 and is currently under scrutiny. The fund has seen improving performance in the last 5 quarters. The Committee agreed to leave the fund under scrutiny.

The Fidelity High Income fund scored a 67, just below the threshold for additional review. The Committee determined that the fund continues to

perform acceptably and no action is needed at this time.

The Blackrock Inflation Protection Bond Fund scored a 67 but continues to see improvement in recent quarters. The Committee determined to keep the fund under scrutiny since its score remains below 70.

The remaining funds were performing adequately.

#### DISCUSSION ITEMS

- 2      [34435](#)      Review report of activities, meetings and interactions serving participant needs.

Mark/Carrie went over the activities report.

- 3      [34466](#)      Demonstration of a new Participant financial “fitness” feature.

John Blossom went through new features on the ABG website. This website can be found at [www.abglogin.com](http://www.abglogin.com). Under the link “Take a Tour of our Participant Website. Click Here to Begin” are a number of different financial planning tools for participants. Non-participants can also access these tools. John specifically demonstrated tools under the Financial Fitness and Lifetime Income links. These tools include the Personal Financial Wellness Test, the BALANCE website, the How Long Will I Live, and Lifetime Income Calculator.

#### ADJOURNMENT

A motion was made by Lipski, seconded by Hanson, to Adjourn. The motion passed by voice vote/other.