



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Draft DEFERRED COMPENSATION COMMITTEE

Wednesday, December 10, 2014

10:30 AM

210 Martin Luther King, Jr. Blvd. Rm. 501
HR Conference Room (City-County Building)

CALL TO ORDER / ROLL CALL

Others present: Tim True, ICMA-RC; Tyge Olson, ICMA-RC; John McCann,
ICMA-RC

The meeting was called to order by Brad Wirtz at 10:00 am.

Present: 5 - Brad Wirtz; David M. Gawenda; David Schmiedicke; Roger Allen and Mark
Hanson

Excused: 2 - Mike Lipski and Lucia Nunez

PUBLIC COMMENT

No public comment.

DISCLOSURES AND RECUSALS

No disclosures or recusals.

NEW BUSINESS

The Committee agreed to take up items 2-4 first.

1 [36428](#)

Investment and Plan information review including discussion of fund performance, any actions to be taken, and fund considerations as required.

Fund Performance information was presented by Catherine Schupp based on attachment titled "City of Madison WI Plan Investment Report Q32014v3.pdf". Information on returns was based on performance through September 30, 2014 (Quarter 3).

During the Committee's June, 2014, meeting, the following funds were continued under scrutiny:

- VT Vantagepoint Core Bond Index fund

The Committee reviewed the funds that had been under scrutiny and other funds that were not meeting benchmarks.

The Committee decided the VT Vantagepoint Core Bond Index Fund should remain under scrutiny.

The Committee discussed the PIMCO Total Return fund in light of the recent

departure of its fund manager. ICMA-RC is dropping the PIMCO Total Return fund from its standard trust lineup in January. ICMA-RC's investment team was concerned by the fact that the fund is now going to be co-managed by 3 individuals who have not worked in a co-management structure before. In addition, millions of dollars are flowing out of the fund as a result of this departure.

The Committee indicated that the previous day, Lincoln/ABG did not recommend removal of the PIMCO Total Return fund from the lineup and the Committee placed the fund Under Scrutiny to ensure continued monitoring of the performance going forward.

Gawenda made a motion, seconded by Nunez, to keep the PIMCO Total Return fund as part of the City's lineup with ICMA-RC and place it under scrutiny and, in addition, that the Western Asset Core Bond Fund, the replacement in the ICMA-RC lineup, not be added to the City's lineup. The motion passed by voice vote/other.

Regarding other funds, the Committee noted that the VT Vantagepoint Equity Income Fund and T Rowe Price Small Cap Value fund were only meeting 4 or 5 of 12 benchmarks. No further information was available regarding their performance.

Wirtz made a motion, seconded by Lipski, to place both funds under scrutiny. The motion passed by voice vote/other.

The performance of the remaining funds in the lineup was adequate.

DISCUSSION ITEMS

2 [36455](#) Overview of Plan / Administrative Features -- What's New

The Committee discussed ICMA-RC's use of the City logo in light of the new APM.

Allen made a motion, seconded by Gawenda, that Mike Lipski coordinate with the Mayor's Office to ensure continued use of the City logo by the 457 plans. The motion passed by voice vote/other.

Tim True provided the Committee with a list of features that could be incorporated into the plan but that the City's plan does not include or that he wanted to highlight for participants.

10:50 am: Mike Lipski and Lucia Nunez arrive. New roll call: All Present

Features for participants include an updated website and mobile application.

Tim brought up managed accounts and that our plan does not allow for them. Brad Wirtz mentioned that ICMA-RC has brought this up on numerous occasions before and the Committee has not been inclined to add this to the plan.

Allen made a motion, seconded by Schmiedicke, to put managed accounts on the next 6-month review meeting agenda for the Committee to make a decision

on whether to include them as part of the lineup. The motion passed by voice vote/other.

Tim also mentioned that the City operates under an open contract with ICMA-RC. When Third-party administrators are better able to predict their assets under management and cash flows for a known period of time, they are in a better position to offer preferred pricing to Plan Sponsors willing to establish a formal relationship with the TPA. ICMA-RC is open to discussions on formalizing their relationship with the City of Madison which could result in improved pricing for 457 plan participants.

3 [36456](#) Planning for 2015.

Tyge Olsen is on-site at various City facilities at least 4 days a month. In addition, David Park, the Certified Financial Planner, visits on a regular basis. Between the 2, ICMA-RC has representatives visiting the city approximately 63 days a year.

ICMA-RC offers a scholarship for the children of public employees who die in the line of duty. One does not need to participate in the ICMA-RC deferred compensation plan to qualify for the scholarship.

4 36457 Discussion On Possible Survey Of Employees.

Tim said that based upon conversations in the prior meeting, ICMA-RC researched how best to survey Madison employees as the committee had shown interest in. ICMA-RC works with a third party vendor who could conduct a survey of our employees to find out information regarding both deferred compensation plans. ICMA-RC would be willing to coordinate this process free of charge for the City of Madison.

ADJOURNMENT

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