



# City of Madison

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

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Tuesday, June 12, 2012

9:30 AM

Room 501, Human Resources Conference Rm  
CCB, 210 Martin Luther King Jr. Blvd.

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### 1. CALL TO ORDER / ROLL CALL

Others in attendance: Mark Strassburger

Present: 4 -

Brad Wirtz; David M. Gawenda; Mike Lipski and Brad Murphy

Absent: 3 -

Carolyn Hogg; Lucia Nunez and David Schmiedicke

### 2. APPROVAL OF MINUTES

The minutes of May 29, 2012 were approved at the June 6, 2012 meeting .

### 3. PUBLIC COMMENT

No public comment.

### 4. DISCLOSURES AND RECUSALS

The Committee members present questioned when it is appropriate to disclose information regarding investments. For instance, discussion later surrounded transferring funds from one plan to the other. Murphy and Wirtz indicated they are both invested in each plan and whether this is something that would require recusal or mere disclosure. Also, can there be a standing disclosure that most committee members are invested in one plan or the other?

### 5. DISCUSSION ITEMS

Dave Gawenda presented a report on the ICMA-RC Finance Client Advisory Group meeting that occurred on June 10, 2012. Gawenda indicated that there are 10 members of the group, from throughout the country, and 9 were present for the meeting. Gawenda brought up 3 items:

1. Income Advantage plan. Gawenda indicated that this is still a new product for ICMA-RC and there are only approximately 1000 total enrollees right now. Enrollment is being targeted to those either in or near retirement. The fund is invested quite conservatively.

2. Public Sector Pension changes. There was discussion on how pensions are changing from a pure defined benefit (DB) plan throughout the country. Three main options appear to be under consideration. First, grandfather existing employees in the DB plan but new employees are placed in a defined

contribution (DC) plan. Second, a hybrid DB/DC plan where the DB amount is reduced and supplemented by a DC plan. Finally, elimination of the DB entirely going forward and transitioning all employees to the DC plan.

3. Fee disclosure change. ICMA-RC presented a sample of their fee disclosure that will start with reports ending 9/30/12. The fee disclosure will not be tailored to individual accounts but will be based on each \$1,000 of assets in the particular fund. This may be different than how ABG presents its fee disclosure information, leading to participant questions. The Committee discussed making disclosure consistent among providers in any future contracts with the providers.

6. **NEW BUSINESS**

7. [25432](#) City of Madison Plan Document Draft.

The Committee revisited language in Article 6.10. Mark Strassburger indicated that historically, plan to plan transfers between Lincoln and ICMA-RC have not contained restrictions. However, in the last year, ICMA-RC has included language in its co-provider transfer form indicating that participants with money in the VantageTrust Plus stable value fund are not allowed to transfer into a competing stable value fund for 90 days. This is hindering transfers from ICMA-RC to Lincoln, and Lincoln does not have a similar restriction when employees wish to transfer to ICMA-RC. Strassburger acknowledged that this is standard language when transferring funds outside of plans controlled by the same employer, but not normally found in fund transfers within one employer. The Committee agreed that this practice should not happen and revised language in Article 6.10 making it clear that transfers within the plan should happen without restriction or penalty.

At the previous meeting, the discussion ended at 7.05, with the Committee reserving a decision as to whether to extend the amount of time a beneficiary can still participate in the plan beyond the current language. The Committee decided to leave the language as is.

Regarding the remainder of Article 7, no changes were made, except minor editorial edits.

The Committee agreed to the removal of Articles 8 and 9 as the Plan will not offer loans to participants or Deemed IRAs.

The Committee agreed to insert the new article on Roth IRAs, but eliminating the last section referencing loans to participants.

The Committee did not have significant changes to the remaining articles.

The Committee agreed that Lipski will draft a clean copy of the Plan Document with the changes discussed at this meeting and the March 29, 2012 meeting. This document will be introduced to the Common Council with referral back to the Deferred Compensation Committee for final approval.

8. **ADJOURNMENT**

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