



# City of Madison

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

## Meeting Minutes - Approved DEFERRED COMPENSATION COMMITTEE

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Tuesday, December 18, 2012

12:00 PM

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

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### CALL TO ORDER / ROLL CALL

Others present: Tim True, ICMA-RC; Meredith Beckman, ICMA-RC; John McCann, ICMA-RC; Walid Refai, ICMA-RC (via conference call); Tyge Olson, ICMA-RC; Mark Hanson

Present: 5 -

Brad Wirtz; Carolyn Hogg; Mike Lipski; Brad Murphy and David Schmiedicke

Absent: 2 -

David M. Gawenda and Lucia Nunez

### PUBLIC COMMENT

No public comment was made.

### DISCLOSURES AND RECUSALS

No disclosures or recusals were provided.

### NEW BUSINESS

A motion was made by Murphy to go into closed session to consider item 1, pursuant to Section 19.85(1)(f), Wisconsin Statutes, which reads as follows: Considering financial, medical social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par.(b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.

Roll all vote: Aye 5-0; Nunez, Gawenda absent.

A motion was made by Lipski, seconded by Wirtz, to come out of closed session. The motion passed by voice vote/other.

Absent: 2 -

David M. Gawenda and Lucia Nunez

Ayes: 5 -

Carolyn Hogg; Mike Lipski; Brad Murphy; David Schmiedicke and Brad Wirtz

A motion was made by Lipski, seconded by Wirtz, to deny the request for emergency withdrawal 2012-18. Motion passed by voice vote/other.

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City of Madison Annual Service Plan September 30, 2012.

**Review of trends and investments**

Fund Performance information was presented by Walid Refai based on attachment titled "MadisonQ32012PlanServiceReport.pdf". Information on returns was based on performance through September 30, 2012 (Quarter 3) and 1 year returns were based on performance from October 1, 2011-September 30, 2012.

During the Committee's May, 2012, meeting, the following funds were placed under scrutiny:

- VT Vantagepoint Conservative Growth fund
- VT Eaton Vance Large Cap Value fund
- VT Vantagepoint Aggressive Ops Fund
- VT American Funds Fundamental Investors
- VT Royce Value Plus

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

The Committee reviewed the model portfolios held by ICMA-RC, including the Vantagepoint Conservative Growth, Savings Oriented, Traditional Growth, Long Term Growth, and All Equity Growth funds. These funds appear to performing as designed, but their performance in the short term appears negative compared to their peers.

A motion was made by Lipski, seconded by Schmiedicke, to place this entire group of funds under scrutiny. The motion passed by voice vote/other.

**Eaton Vance Large Cap Value:** This fund is under scrutiny. Performance has turned around since the last meeting.

A motion was made by Lipski, seconded by Murphy to remove this fund from under scrutiny. The motion passed by voice vote/other.

**American Funds Fundamental Inv.:** Performance continues to lag, although improvement is seen.

A motion was made by Schmiedicke, seconded by Lipski, to keep this fund under scrutiny. The motion passed by voice vote/other.

**Vantagepoint Aggressive Ops Fund:** This fund is under scrutiny. The fund is undergoing changes and is working proactively to change its investing. The changes since August are showing an improvement in performance over the past few months.

**Royce Value Plus:** This fund is under scrutiny. It continues to be over-allocated in materials.

**Royce Premier:** This fund is not currently under scrutiny. However, its

performance appears to be underperforming compared to peers. It is overweight in cash, and IT/Energy stocks which have not done as well in the recent stock market.

A motion was made by Lipski, seconded by Murphy, to keep the Vantagepoint Aggressive Ops and Royce Value Plus funds under scrutiny and to place the Royce Premier fund under scrutiny. The motion passed by voice vote/other.

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

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Customized Reporting Option.

Tim True presented new reporting options. ICMA-RC contracts with Uptick, an outside vendor, who can customize the quarterly monitoring tool to more closely match the Investment Policy Statement. This would involve reviewing the various categories offered by Uptick to determine which ones would be applicable.

A motion was made by Murphy, seconded by Hogg, to have Lipski take the lead on working with ICMA-RC to develop the appropriate benchmarks, including asking another committee member for assistance. Following this work, Lipski will report to the Committee as to the selected benchmarks for confirmation. The motion passed by voice vote/other.

#### DISCUSSION ITEMS

Tyge Olson was introduced as the replacement for Meredith Beckman, who is retiring. Tyge has been with ICMA-RC for 5 years and is looking forward to working with the City.

#### ADJOURNMENT

A motion for adjournment was made by Wirtz, seconded by Schmiedicke; motion passed.