



City of Madison

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

Wednesday, December 12, 2018

1:00 PM

215 Martin Luther King, Jr. Blvd.
Room 202 (Madison Municipal Building)

CALL TO ORDER / ROLL CALL

Others Present: Lincoln Financial Group: Mark Strassburger; Andrew Thompson; Andrew Seaborg; ABG Retirement Plan Services: John Blossom; Linda Blossom

Present: 6 - Harper Donahue; David M. Gawenda; David Schmiedicke; Roger Allen; Erin Hillson and Michelle Drea

Excused: 1 - Byron Bishop

APPROVAL OF MINUTES

A motion was made by Allen, seconded by Gawenda, to Approve the Minutes of the October 30, 2018 meeting. The motion passed by voice vote/other.

PUBLIC COMMENT

No Public Comment.

DISCLOSURES AND RECUSALS

No Disclosures or Recusals

NEW BUSINESS

1. [54090](#) City of Madison Plan Investment Report and Review Alliance Benefit Group.

Based upon the Plan monitoring scoring 4 funds were marked for "Review" (score of less than 69). One of the funds had been placed "Under Scrutiny" during previous meetings. The Committee reviewed those four funds to determine what actions (if any) should be taken. This Miscellaneous was Discuss and Finalize

2. [54091](#) Target Date Funds.

The Plan currently incorporates T. Rowe Price Retirement TDF's within the Deferred Compensation Plan. ABG and LFG recommended that the Committee consider using the Schwab Index TDF funds. Some advantages are higher scoring underlying funds and a lower expense ratio. ABG provided a new report – TDF Analyzer – which compared T. Rowe Price Retirement to the

Schwab Index TDF (along with the Industry Average) in various categories such as equity exposure and glidepath. It also provided a style box summary of the underlying funds and the scoring of those funds. The underlying funds within the Schwab Index TDF scored significantly higher than the T. Rowe Price. The net cost comparison was 8bps (Schwab) to 58 bps (T. Rowe Price).

Following questions and discussion, Michelle Drea made a motion to remove the T. Rowe Price Retirement TDF Series and replace it with Schwab Index TDF's. David Gawenda seconded it. The motion carried.

3. [54092](#)

Recommendation for Calvert Equity replacement - "Socially Responsible" fund.

A motion was made by Schmiedicke, seconded by Gawenda, to Discuss and Finalize. The motion passed by voice vote/other.

Calvert Equity Fund (CSIEX) - a "Socially Responsible Investment" fund (SRI) scored a 53 - a slight improvement over the previous Committee review. It had been placed "Under Scrutiny" for several consecutive review cycles. It is offered in the investment line up, but not in the Asset Allocation Models. Blossom stated that they had looked at some alternative funds, but had not found a consideration in the Large Cap Growth category to offer as a recommendation. The Calvert fund's historical returns continued to be competitive.

Following a discussion, David Schmiedicke made a motion to keep the fund "Under Scrutiny" and continue to monitor it. David Gawenda seconded it.

DISCUSSION ITEMS

4. [54093](#)

Committee Topic

-Plan Activity report (Lincoln Financial Group

-Asset Allocation Strategy

LFG Activities - Mark Strassburger covered LFG's report for the Participant onsite meetings and activities (including after hours, phone conversations and office visits) scheduled for the second half of 2018.

Asset Allocation Strategies: John Blossom introduced the topic of "Unitized Portfolios" for future conversations and consideration. He proposed changing from the current risk based Asset Allocation Models to risk based Unitized Portfolios stating that among the advantages are that they are easier to administer and communicate to Plan Participants. Mark Strassburger commented that LFG and ABG will work together to provide materials prior to the 1Q2019 Committee meeting (typically held during early June).

ADJOURNMENT

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