

Chairperson: Steve Cady, 278-4347
Coordinator: Janelle M. Jensen, 278-4228

SELECT COMMITTEE ON DEFERRED COMPENSATION

Monday, August 4, 2014 - 9:00 a.m.
Milwaukee County Courthouse - Room 203-P

MINUTES

PRESENT: Rick Ceschin, Jennifer Folliard, Matt Fortman, Mark Grady, and Steve Cady
(Chair) 5

EXCUSED: 0

SCHEDULED ITEMS:

****CLOSED SESSION****

The Committee may adjourn into Closed Session under the provisions of Wisconsin Statutes, Section 19.85(1)(f), for the purpose of considering financial, medical, social, or personal histories related to the following matter(s). The Committee may reconvene into Open Session to take whatever action(s) it may deem necessary on the said matter(s).

The Committee was in Closed Session from 9:02 a.m. to 9:28 a.m. Upon reconvening at 9:28 a.m., a roll call was taken and all Committee members were present.

ACTION BY: (Ceschin) A motion was made by Mr. Ceschin to Adjourn into Closed Session to discuss Item #1. 5-0

AYES: Ceschin, Folliard, Fortman, Grady, Cady (Chair) 5

NOES: 0

1. 14-DC1 Appeal(s) from deferred compensation participant(s) of decisions regarding request(s) for hardship withdrawal(s) of funds from Milwaukee County's Deferred Compensation Plan.

Appeal from Mr. Andre Gilliam.

This item was discussed in Closed Session.

Andre Gilliam, appeared and spoke regarding this item.

ACTION BY: (Grady) A motion was made by Mr. Grady to approve the appeal of Mr. Gilliam and grant the hardship withdrawal distribution request in a gross amount calculated by Great-West so that after taxes he will net the \$16,458 figure that is the estimate for the uninsured home repair. 5-0

SCHEDULED ITEMS (CONTINUED):

AYES: Ceschin, Folliard, Fortman, Grady, Cady (Chair) 5
NOES: 0

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2. 14-DC16 Financial Update on Administration of Milwaukee County's Deferred Compensation Plan. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCE:

Darryl Collier, National Account Director, Great-West Financial

00:00:44 Chairman Cady relayed that there were 4,600 participants in the plan at the end of the quarter resulting in a record keeping fee of just under \$95,000 which is deducted from the forfeiture account. Revenue sharing fees were received in the amount of \$66,109 primarily due to the Stable Value fund, and additional expenses are well within the plan budget.

00:04:50 Mr. Grady inquired as to an appropriate lead time for the purpose of notifying members of the new record keeping fee.

The Committee took no action on this informational report.

3. 14-DC17 From Great-West Financial, Second Quarter Report. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCES:

Darryl Collier, National Account Director, Great-West Financial
Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates

00:02:29 Mr. Collier shared that beneficiary outreach is a national issue and Great-West will continue to try to reduce the number of participants without updated beneficiary designations on file.

00:07:48 Mr. Grady suggested that counsel appear in November to provide guidance on the beneficiary outreach issue. He inquired as to how many of the 525 participants without beneficiaries on file may have paper designations.

00:14:44 Mr. Grady requested that a report be provided in November addressing Roth versus Non-Roth enrollments in the Deferred Compensation Plan.

00:18:19 Mr. Collier relayed that a new Chief Executive Officer/President is leading Great-West Financial and the organization purchased the retirement services of JP Morgan.

The Committee took no action on this informational report.

SCHEDULED ITEMS (CONTINUED):

4. 14-DC18 From Great-West Financial, recommended participants and procedures to pay out “De Minimus” accounts as provided for in the In-Service Distribution (Section 10K) of the Milwaukee County Plan of Deferred Compensation.

APPEARANCES:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates
Darryl Collier, National Account Director, Great-West Financial

00:00:23 Chairman Cady indicated that the revised list provided by Mr. Collier contains 143 plan participants with balances of less than \$1,000, and no activity for the past 24 months.

ACTION BY: (Grady) A motion was made by Mr. Grady to initiate the “de minimus” procedures for the listing of participants provided by Great-West that have balances of less than \$1,000 and who have not contributed within the last 24 months to either force restart of contributions or pay-out said balances. 4-0

AYES: Folliard, Fortman, Grady, Cady (Chair) 4

NOES: 0

EXCUSED: Ceschin 1

5. 14-DC19 Approval of new Recordkeeping Contract with Great-West Financial.

APPEARANCE:

Darryl Collier, National Account Director, Great-West Financial

00:00:14 Chairman Cady relayed that the contract has been reviewed by counsel and there is general agreement. The per participant fee will be \$58.92, and managed account fees will be reduced by 25%.

00:03:02 Mr. Collier indicated the desire to move from quarterly payments to monthly payments. Monthly payments will be \$4.91 per participant.

ACTION BY: (Grady) A motion was made by Mr. Grady to approve the proposed contract with Great-West Financial. 4-0

AYES: Folliard, Fortman, Grady, Cady (Chair) 4

NOES: 0

EXCUSED: Ceschin 1

SCHEDULED ITEMS (CONTINUED):

Item #s 6 and 7 were considered together

6. 14-DC20 From Hewitt Ennis Knupp, Second Quarter Performance Report.
(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

APPEARANCE:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates

00:00:14 Mr. Sapa provided an overview of the Second Quarter Investment Review. He relayed that the Vanguard Target Retirement Income Fund, Vanguard Total Bond Market Index, and William Blair Mid Cap Growth (William Blair) funds are on yellow status on the watch list and William Blair will inevitably advance to red status in November.

00:20:43 Chairman Cady requested information on how William Blair fund competitors have performed over the last 2-3 years and whether they are still recommended by Hewitt Ennis Knupp. Mr. Sapa will provide the requested information at the November meeting.

00:23:32 Mr. Grady suggested that a final decision be made on William Blair in February 2015.

The Committee took no action on this informational report.

7. 14-DC21 From Hewitt Ennis Knupp, Investment Fund Monitoring Changes.

APPEARANCE:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates

00:25:07 Mr. Sapa briefed the Committee on the proposed changes to the Watch List Criteria and advised that any changes will require an update to the Investment Policy Statement.

00:33:17 Chairman Cady indicated that the revised Investment Policy Statement including any additional recommended changes will be provided to the Committee in November as part of the annual Plan review.

ACTION BY: (Grady) A motion was made by Mr. Grady to approve the revised investment fund monitoring criteria for all funds. 4-0

AYES: Folliard, Fortman, Grady, Cady (Chair) 4

NOES: 0

EXCUSED: Ceschin 1

SCHEDULED ITEMS (CONTINUED):

Item #s 8 and 10 were considered together

8. 14-DC22 From Hewitt Ennis Knupp, Investment Share Class Analysis.

APPEARANCE:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates

00:00:25 Mr. Sapa provided an overview of the Share Class fee analysis. He recommended changes to the Vanguard Total Bond Market Index and the Stable Value Fund by reducing revenue sharing, moving to the lowest cost share available, and charging a per participant fee.

ACTION BY: (Grady) A motion was made by Mr. Grady to move to the lowest share bond class as soon as practicable. 5-0

AYES: Folliard, Fortman, Grady, Cady (Chair) 5

NOES: 0

9. 14-DC23 From Hewitt Ennis Knupp, Investment Consultant services agreement extension.

APPEARANCE:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates

00:00:10 Chairman Cady relayed that the current agreement expires on November 1, 2014.

ACTION BY: (Grady) A motion was made by Mr. Grady to approve an extension with Hewitt Ennis Knupp for one year including the cost of living increase and fees through October 31, 2015. 5-0

AYES: Folliard, Fortman, Grady, Cady (Chair) 5

NOES: 0

10. 14-DC24 Discussion and development of a new plan Administrative Fee Structure and Revenue Sharing Policies.

APPEARANCES:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates
Darryl Collier, National Account Director, Great-West Financial

00:05:21 Mr. Sapa described present day best practices for Defined Contribution Plans.

SCHEDULED ITEMS (CONTINUED):

Future options include an equal per participant fee, an equal basis point fee, or a combination of the two.

00:35:40 Chairman Cady suggested that the Committee review model options, tiers, and fees so a reasonable and fair plan can be implemented and communications can be sent to participants advising of upcoming changes.

00:40:48 Mr. Grady requested a chart detailing how much money is in each of the plans. Mr. Cady will provide Committee members with the spreadsheet with personal information redacted.

The Committee took no action on this informational report.

11. 14-DC25 From Advised Assets Group, Second Quarter Stable Value Fund Report. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

APPEARANCES:

Glenn R. Sapa, Associate Partner, Hewitt Ennis Knupp and Associates
Darryl Collier, National Account Director, Great-West Financial

00:00:16 Chairman Cady provided the Stable Value Fund summary.

00:00:45 Mr. Grady inquired as to why the credited rate of 2.3% is not increasing. Mr. Sapa will check into whether it can be bumped up based on the crediting formula.

The Committee took no action on this informational report.

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12. 14-DC2 Upcoming Regular Meeting Dates of the Select Committee on Deferred Compensation. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

- November 24, 2014
- February 9, 2015
- May 4, 2015
- August 3, 2015
- November 16, 2015

00:00:16 Chairman Cady discussed future meeting dates.

The Committee took no action on this informational report.

SCHEDULED ITEMS (CONTINUED):

The foregoing items were not necessarily considered in agenda order.

This meeting was recorded. Committee files contain copies of any subject reports and communications, which may be reviewed upon request to the Committee Coordinator. The official copy of these minutes, and the audio recording of this meeting are available in the Office of the Milwaukee County Clerk.

Length of meeting: 9:00 a.m. to 12:02 p.m.

Adjourned,

Janelle M. Jensen

Senior Committee Coordinator
Select Committee on Deferred Compensation

ADA accommodation requests should be filed with the Milwaukee County Office for Persons with Disabilities, 278-3932 (voice) or 711 (TRS), upon receipt of this notice.