

BCC Meeting February 27, 2020

Attendees: Barczak, Amy; Beebe, Lauran; Biesemeyer, Brian; Ganger, Hostler, Adam; Darlene; Johnson, Ana Lia; Murphy, Bill; Nichols, Jeff; Valliere, Eric; Worth, Dan; Innovest – Nacario, Paul; Tewell, Gordon; Nationwide – Gravitt, Andee; Keeler, Jim

1. Meeting was called to order at 2pm by Lauran Beebe
2. Innovest Plan Report

Gordon Tewell began with topics and trends in the marketplace, discussing the history of default investment alternatives and their evolution into target date funds. He addressed the fiduciary process for evaluating and selecting target date funds qualitatively and quantitatively, with additional considerations on composition, risk and glide path.

Gordon reviewed the City's 457 Plan Summary which included deliverables for 2020. Gordon reviewed the City's PEHP Plan, followed by a review of the City fees for the 457 Plan, investment structure and asset allocation for the 457 and PEHP plans.

He provided an overview of the markets, looking back at the market returns for the 4th quarter of 2019. Gordon reviewed the global markets, forecasted world GDP, global equity valuations and the fixed income markets

Gordon reviewed the Investment Manager Score Card, identifying a few minor concerns with Vanguard Select Value, DFA US Small Cap Value, Harbor Small Cap Growth Opportunities and American Funds EuroPacific. Minor concerns with Vanguard Select Value and American Funds EuroPacific were related to personnel, while minor performance concerns were brought up regarding DFA US Small Cap Value and Harbor Small Cap Growth Opportunities. No action was taken.

3. Nationwide Plan Report

Jim Keeler and Andee Gravitt began by addressing an issue with contribution changes that were entered in August 2019 with an effective date in the same month. These changes failed to follow the IRS regulation requiring the request be made no sooner than the first day of the following month. Jim stated that the plan could decide to either do nothing since the impact is so little or have Nationwide correct.

The impact was to 19 participants, 14 participants whose contributions were increased too soon and 5 participants whose contributions were decreased too soon. For participants whose contributions were increased too soon, Nationwide's corrective action would be to return the contribution to the participant as a taxable distribution. For participants whose contributions were decreased too soon, Nationwide's corrective action would be to make up 50% of participants deferral plus any investment gain or loss.

After discussion and input from Innovest, the best course of action was to allow corrective changes by Nationwide.

Nationwide concluded with a review of the SECURE Act and upcoming updates to their website.

Meeting was adjourned at 3:14pm.