

CITY OF MILWAUKEE
MINUTES OF THE DEFERRED COMPENSATION BOARD
MEETING OF THURSDAY, NOVEMBER 17, 2016
2:00 P.M. - ROOM 405, CITY HALL

MEMBERS/DESIGNEES PRESENT:

Mr. Jerry Allen, ERS Director, Chair
Mr. Mark Buetow, Milwaukee Police Association
Ms. Renee Joos, Fiscal & Risk Manager
Ms. Paula Kiely, Milwaukee Public Library Director – arrived at 2:45 p.m. via conference call
Mr. James Klajbor, Deputy City Treasurer, Vice Chair
Mr. Steven L. Mahan, Community Development Grants Administration
Mr. Stuart Mukamal, Assistant City Attorney

EXCUSED/ABSENT:

Alderwoman Milele Coggs, Finance & Personnel Chair – excused
Mr. Mark Nicolini, Budget Director – excused
Ms. Sandra Rotar, Health Operations Administrator - excused

OTHER PLAN PROVIDERS and STAFF PRESENT:

Mr. Jeff Deetsch, Invesco
Ms. Elaine Bieszk, Administrative Assistant, Deferred Compensation
Ms. Margaret Daun, Executive Director
Mr. Brian Merrick, Voya Financial
Ms. Ellen Tangen, Assistant City Attorney
Mr. Ben Taylor, Callan Associates Inc.
Ms. Wendy Wilson, Cleary Gull Advisors

OTHERS PRESENT:

02:04 p.m. A quorum being present, Mr. Allen, Chair of the Deferred Compensation Board, called the meeting to order.

1. Approval of Meeting Minutes of August 18, 2016 [00:45]

[00:50] Motion by Mr. Klajbor to approve the minutes. Seconded by Mr. Buetow. No objections.

[01:58] Motion by Mr. Klajbor to convene in closed session for Items 2, 3a-d, pursuant to Section 19.85(1)(e) and (g). Seconded by Ms. Joos. Roll call vote taken. No objections. Motion carried. No objections to recording.

02:05 p.m. Board enters closed session.

2. Personnel [02:56]

3. EFC Report [01:25:40]

- a. Transition update [01:25:45]
 - i. Asset Transfer / SVA [02:23:08]
 - ii. Recordkeeper Transition [02:39:23]
 - iii. Enrollment/Elections Process [01:26:49]
- b. 2015 Audit [02:08:18]
- c. Inquiry re SDBA [02:37:19]
- d. Contract Ratifications [02:40:43]
 - i. Invesco Amendment
 - ii. Northern Trust Amendment
 - iii. Voya Retirement Advisors (VRA)
 - iv. Duane Morris – 4th Amendment

[02:41:09] Motion by Mr. Klajbor to convene in open session. Seconded by Mr. Mukamal. Roll call vote was taken. Motion carried.

04:45 p.m. Board enters open session. [02:41:32]

[02:41:43] Motion by Mr. Klajbor that the Board ratify the Invesco, Northern Trust, Voya and Duane Morris amendments. Seconded by Mr. Buetow. No objections.

[02:42:03] Motion by Mr. Klajbor that all the transition update reports be received and placed on file. Seconded by Mr. Buetow. No objections.

- e. Addition of Office Assistant III position [02:42:31]

The communication was hand delivered to the City Clerk, requesting the addition of an Office Assistant III position. This request will be before the Finance and Personnel Committee on Wednesday, December 7th. The Board had previously approved adding the position, which will be subject to classification by the Department of Employee Relations. Mr. Klajbor noted that he was reporting this for informational purposes only.
- f. 2017 Budget
The 2017 budget reflects the new way that we are proceeding. Plan vendors are paid directly via our Custodial Bank, Northern Trust, and it is just the true expenses of the City that are on the City's books and then reimbursed.

- g. K&L Gates Invoice and City Attorney's Office Invoice [02:44:07]
Mr. Klajbor stated the EFC is recommending that those invoices be paid.
[02:44:19] Motion by Mr. Klajbor. Seconded by Mr. Buetow. No objections.
- h. Request for Legal Opinion re rehired participants [02:44:27]
Mr. Klajbor stated that, during the transition it was found that a number of people who had originally retired and had subsequently become re-employed by the City were given two accounts by Nationwide. The opinion is asking for clarification of how should this be dealt with. Discussion ensued.

[02:48:24] Mr. Allen commented that after the dust settles in a year, one of the things we should put on our agenda is to review distribution options for this Plan.

4. Plan Participant Benefit Approvals and Denials for period July, August and September 2016 [02:51:20]

Mr. Klajbor reported this will be the last time the Board receives this report.
[02:51:30] Motion by Mr. Klajbor to approve the reports. Seconded by Mr. Buetow. No objections.

5. 2017 Proposed Board and EFC Meeting Dates [02:51:41]

[02:52:17] Motion by Mr. Klajbor to approve. Seconded by Mr. Buetow. No objections.

6. Vendor Reports [02:52:20]

- a. Callan Associates Inc. Performance Report
- b. Charles Schwab PCRA Report
- c. Cleary Gull Advisors Inc. Performance Report
- d. INVESCO Advisers, Inc. (SVA) Performance Report
- e. Nationwide Retirement Solutions – Plan Report
- f. Northern Trust Performance Report

[02:52:30] Motion by Mr. Klajbor to accept and place on file all of the vendor reports under Item #6. Seconded by Mr. Buetow. No objections.

7. Informational

- a. City Attorney opinions
 - i. Implementation of Automatic Enrollment and Automatic Contribution Features
 - ii. Implementation of Default Investment Options (Target Date Funds)

b. Voya Retirement Update

[02:53:08] Ms. Daun stated that, in terms of future strategic Board objectives, she recommends that the Board consider implementing the following trainings and presentations: 1) an annual, standalone fiduciary training, 2) an annual, standalone discussion of our investment portfolio with presentations from all of our investment managers (either to the full Board or just the EFC) with review and commentary from Callan about benchmarks, etc., and 3) based on input from Voya, Callan and or anyone else who services the Plan, a type of “state of the Plan” presentation, using data from Voya, including a discussion about new industry developments (e.g., distribution options, issues spotlighted via NAGDCA, etc.).

Mr. Allen expressed his hearty congratulations and to give thanks to Ms. Daun for safely steering the ship through the storm. The rest of the Board members thanked Ms. Daun.

4:58 p.m. Meeting adjourned. [02:54:43]