

**DEFERRED COMPENSATION COMMITTEE  
2020 Q3 RESULTS  
MEETING MINUTES**

Meeting Date: Wednesday, November 4, 2020  
 Meeting Location: Microsoft Teams  
 Recorder: Velisa Parks, Sr. Administrative Assistant

<b>Name of Attendee</b>	<b>Title</b>	<b>Name of Attendee</b>	<b>Title</b>
Kevin Mizuno	<i>Finance Manager</i>	Philip Leiber	<i>Director of Finance and Administration</i>
Teji O'Malley	<i>Human Resources Manager</i>	Justin Mercer	<i>Instrument Technician</i>
James Olympia	<i>Environmental Compliance Inspector II</i>	Kim Hammond	<i>ICMA-RC</i>
Erika Armstrong	<i>ICMA-RC</i>	Chris Mansfield	<i>ICMA-RC</i>
Brent Harvey	<i>Chemist II</i>	Ama Lyon	<i>Accountant</i>
Christopher Thomas	<i>Finance Administrator</i>		

**CALL TO ORDER**

1:04 p.m.

**AGENDA**

- **Reviewing and approval of minutes from August 13, 2020 meeting**
  - Agreed to and adopted
  
- **Review Plan Performance**
  - Mr. Mansfield shared a presentation on the third quarter plan performance. The presentation included: Economic and Capital Markets overview, Vantagepoint View overview, and Plan Investment Lineup overview.
  - Capital Markets Overview – Average volatility seems to still be in the market. Up 4% from the year before. Uncertainty in the market in the next 12 months due to the election and potiCOVID-19 vaccine.
  - Vantagepoint View – Moderate overweight to equities over bonds risk to forecast wide range of outcomes due to COVID-19 second wave, vaccines, policy responses, and election results. Moderate tilt to large-cap over small-cap equities risk to forecast: if the economic recovery is more robust than anticipated, small-cap stocks poised to outperform. Moderate tilt to US over International equities risk to forecast: Equity valuations continue to favor foreign markets.
  - Vantagepoint Plus Fund – key to success of the fund is the structure and allocation. Multiple tiers, multiple money managers, and multiple insurers to protect investors. Very high volatility this year has driven cashflow into the fund but may move once things have normalized.
  - Milestone funds have done a good job of managing the risks.
  - Central San Fund lineup for Q3 is 70% above median.
  - Central San Cost lineup costs at or below category average.

- **Draft Committee Scope Document**
  - Mr. Mizuno incorporated several changes suggested from the last meeting. Would like to move to adopt but will still need legal feedback. Changes include transitioning Plan Administrator duties from the Human Resources Manager to the Finance Manager, membership term limits and frequency of meetings. There were also discussions of meeting requirements and if the meetings need to be public. The updates will be recommended for adoption in the February 2021 meeting.
  
- **Discussion of Participant Education Efforts**
  - Ms. Hammond provided information on educational programs for staff. For the 3<sup>rd</sup> quarter, there were three webinars and at least nine emails to employees and retirees. Different topics mentioned on each email. Targeted emails to current employees help with how to investment allocations and retirement projections. Retirees usually want information on how to access and manage accounts. Will direct to Financial Planners if they are a good candidate. The big drive is to make sure the information online is correct and current.
  - Ms. Armstrong informed the committee that direct marketing outreach information has been sent from ICMA-RC regarding meeting one-on-one for a financial consultation. In the past, only a small number of participants met with a CFP. This year, the amount has tripled. Moving forward there will be a team of CFPs available for participants to meet with. Participants will not only be able to choose a CFP but will be able to schedule meetings virtually that work best for them. Increases the span and scope of the program.
  
- **Fiduciary Educational Opportunities**
  - Ms. Armstrong discussed fiduciary training for the committee. One organization is NAGDA (National Association of Government Defined Contribution Administrators) that is a network of government professional organization of public employer-sponsored deferred compensation and defined contribution plan administrators. Committee could join and have access to resources. ICMA also has fiduciary consideration modules that could be incorporated into each meeting. Mr. Mizuno would like to include the modules in the agenda of the committee meetings starting with the next meeting.
  
- **Legislative Plan Updates**
  - Ms. Armstrong discussed some of the legislative plan updates. She spoke of the SECURE Act which has changed a few items. Some of the changes include the Required Minimum Distributions age from 70 ½ to 72. It also changed the distribution for birth of adoption which is an optional provision. There is another provision that could be adopted that would allow participants to take a distribution at 59 ½ if they are still working. The SECURE Act 2.0 has been recently introduced which could increase the distribution age from 72 to 75.
  
- **Committee Membership Discussion**
  - Mr. Mizuno reviewed the committee membership list. This list may be placed on the Central San website.
  
- **Parking Lot / New Business**
  - Items to be covered next meeting:
    - Nomination of Chair and Vice-Chair.
    - Adopt scope document
    - Review changes to plan document
    - Fiduciary training

- **Next Meeting: February 3, 2021**

**ADJOURN**

2:47 p.m.