

Investment Committee

May 29, 2014 meeting minutes

Committee Members in Attendance;

Mark Vincent---Chair
Vanetta Appleyard
Rusty McAllister
Edward O'Neal
John Riddilla
Eric Fredenburg

Others in Attendance:

Angela Crolli, Jaquie Miller-City Clerks

Freddie Sarno – Investment Consultant

Minutes

Freddie Sarno presented a Q1 2014 Capital Market Commentary, the information can be found under section 1 of each plan review document.

General Discussion

1. A motion was made and carried to approve the minutes from the last meeting.
2. A carry-over discussion from previous quarterly meetings was the topic of the large number of funds represented in ICMA, MassMutual and Nationwide. General committee consensus is that there are too many funds and consolidating underperforming funds into top performing funds within each asset class makes sense. Freddie Sarno presented fund mapping scenarios for consideration for ICMA, MassMutual and Nationwide. However, a motion was made and carried to maintain status quo and delay any fund mapping until the committee can meet to discuss being more specific on policy related to taking a fund off watch list.
3. Robert Trenerry from MassMutual presented the topic of customized retirement readiness reports that can be mailed to participants with retirement assets at MassMutual detailing a more optimized investment program that may include increasing deferral percentages and changing investment portfolio asset allocation. A motion was made and carried to approve forward. Mr. Trenerry indicated it would take approximately 2 months for the mailings.
4. Committee discussed the issue with defaulted loans to. The concern is having tighter governance on participants who default on a loan and then request another one. A motion was made and carried that if a participant cannot cure a defaulted within 30 days, then that participant would have a 2 year blackout period before requesting another loan, subject to an appeal process.

ICMA

Freddie Sarno, Investment Consultant, led a review of the 1Q 2014 ICMA fund performance and based on his analysis he recommended the following funds stay on the fund watch list.

AllianzGI NFJ Dividend Value Admin.
Calvert Equity A
Vantagepoint Growth T
Goldman Sachs Mid Cap Value A
Vantagepoint Aggressive Opp T
T. Rowe Price Small-Cap Value Adv.
Vantagepoint Core Bond Index
Vantagepoint Inflation Prot. Secs. T
PIMCO High Yield Admin.

Additional funds placed on watch list were:

Vantagepoint Model Portfolio Traditional Growth
Harbor Mid Cap growth

A motion was made and passed placing these funds on our watch list and keeping the previous 9 funds on the watch list. On the topic of fund mapping and consolidation, ICMA stated that their fund platform is “open architecture

In attendance from ICMA: Michelle Martin and Ornella Grosz, Retirement Plan Specialist

MassMutual

Freddie Sarno, Investment Consultant, led a review of the 1Q 2014 MassMutual fund performance and based on his analysis he recommended that the following funds remain on the fund watch list.

American Century Equity Income Inv.
Janus Twenty T
Goldman Sachs Mid Cap Value Instl.
Victory Special Value A
Janus Overseas S
American funds Capital World G/I R4
MFS Government Securities R3
Invesco American Franchise A
Invesco Real Estate A

Within the Target Date Funds category, the underperforming SSgA funds will be replaced by the T. Rowe Price Target Date funds on June 13th.

In attendance from MassMutual: Robert Trenerry

Nationwide

Freddie Sarno, Investment Consultant, led a review of the 1Q 2014 Nationwide fund performance and based on his analysis he recommended that the following funds remain on the fund watch list.

American Funds American HI Inc.
Nationwide Inv. Dest. Cnsv. Svc
Nationwide Inv. Dest. Mod. Sve.
Oppenheimer Value A
Dreyfus Appreciation Investor
Nationwide Inv. Dest. Agrsv Svc.
Goldman SachsMid Cap Value Instl
American Century HeritageA
American Funds Capital World
BlackRock Natural Resources Inv. A.
Nationwide Growth A

Additional watch list fund:
Pimco Total Return

A motion was made and passed placing the Pimco Total Return fund on our watch list and keeping the original 11 funds on the watch list. T. Rowe price Retirement Date funds have been added to the investment menu within Nationwide.

In attendance from Nationwide:
Marshall Goff - Program Director
Julie Miramontes - Retirement Specialist

Meeting Schedule for 2014

Time 1 p.m. thru 5 p.m. in City Hall.

May 29th – 2nd floor Conference Room
August 26th
December 11th