PENSION PLAN FOR GENERAL EMPLOYEES COMMITTEE MEETING

Minutes
March 22, 2013

Meeting Summary

The Committee met to 1) appoint a chairperson for 2013; 2) review and approve the minutes from the last meeting; 3) review and discuss 2013 actuarial study for the defined benefit plan; 4) review and discuss results of employee survey relating to administrative services on money purchase plan; 5) discuss procurement process for financial advisory services and money purchase plan recordkeeping services; 6) discuss Old Business and 7) discuss Other Business.

Roll Call

Present: Employee-elected board members Dan Feller and Gary McGinn, Council Member Todd Schumacher, Director of Finance Pat Soderberg and Director of Human Resources Suzanne Smith.

Absent: None.

Others in attendance: Plan Actuary Paul Barker. Krista Rhode and Vickie Mauri from Human Resources. Jim Becklenberg from the City and County Manager's office.

Agenda

Mr. Schumacher called the meeting to order at 12:00 pm.

Election of Chairperson: Ms. Soderberg made a motion to appoint Mr. Schumacher as the chairperson which was seconded by Ms. Smith and approved unanimously by the committee members.

Disposition of Minutes: Ms. Soderberg made a motion to approve the minutes which was seconded by Ms. Smith and approved unanimously by the board members.

New Business:

Actuarial Study – Mr. Barker presented the 2013 actuarial study for the defined benefit plan. He offered two options for funding. Option I would fund the benefit at $730,000 with contributions from the employees and the employer. The expected employee contribution level would be $166,000. The employer would make up the difference or $564,000. The second option would preserve principal and Mr. Barker recommended funding that would equal the amount of expected monthly payments ($786,000). He projected regular contributions from employees in the amount of $166,000 with the employer making up the difference ($620,000). If actual contributions were less than these amounts, he recommended additional funding by the employer to cover the difference. Ms. Smith will prepare the budget estimates and present options during the budget process.

Review Results of Employee Survey – Ms. Smith covered the results of the employee survey as it relates to performance of the administrator. Some employees noted that the website was difficult to use and that the voice response telephone system was not always easy to navigate. Many employees are not satisfied with the overall performance of the

administrator. Employees offered preferences on financial education. The committee will use this information as it sets direction for the coming year.

Discuss Procurement Process for Financial Advisory Services and MPP Recordkeeping – Ms. Smith explained the search process for a plan consultant. Mr. Barker noted that a good benchmark to use for annual fees would be $30-40K for plan consulting and approximately $50 per person for recordkeeping fees. He indicated that a financial planner would typically charge $200-$900 per employee for a complete financial plan.

Old Business:

Discussion of Fees – The committee members agreed that all mutual funds should be moved to the lowest share class and that administrative fees should be charged on a flat rate basis. Where possible, the committee will seek to eliminate mutual funds with 12 b 1 fees (if possible).

Ms. Smith made a motion to direct Wells Fargo to move all mutual funds to the lowest share class and adopt the flat fee for administrative services. The motion was seconded by Mr. Feller and unanimously approved.

Diversification Report – Mr. Quam will discuss this information at a meeting yet to be determined.

Other Business: There was no Other Business.

Adjournment

The meeting was adjourned at 12:48 p.m.

Approval

Minutes Prepared by Suzanne Smith

_____, Todd Schumacher, Chair