

August 27th, 2019 Minutes – Denver’s 457(b) Deferred Compensation Committee

REGULAR MEETING: August 27th, 2019 at 1:00 p.m. at Webb Building, Room 4.F.6

| <u>Committee Members Present</u> | <u>Term Expires</u> |
|--|----------------------------|
| Zlatko Letica, Finance, Chairperson | 12/31/2020 |
| John Eckhardt, Retiree, Vice Chairperson | 12/31/2020 |
| Greg King, Finance, Secretary | 12/31/2020 |
| Margaret Danuser, Finance | 12/31/2022 |
| Christopher O’Brien, Human Resources | 12/31/2022 |
| Greg Pixley, Denver Fire Department | 12/31/2022 |
| Bettye Enders, Retiree | 12/31/2019 |
| Anthony Mazzei, Sheriff’s Office | 12/31/2019 |

| <u>Committee Members Not Present</u> | <u>Term Expires</u> |
|---|----------------------------|
| None | |

Financial Advisors
Gordon Tewell, Innovest

Plan Advisors Present
Michael Studebaker, Nationwide
Rachel Schmelzer, Nationwide
Greg Greive, Nationwide
Don Regan, Nationwide

Ex-Officio Non-Voting Member
Robert McDermott, CAO

Other Attendees
Mario Dominguez, DOF

Public Attendees
Ian Culverhouse
Heather Darlington
Julie Smith
Cassie Schoon

1. CALL TO ORDER

- a.) Mr. Letica called the meeting to order at approximately 1:00 p.m.
- b) A quorum is noted.
- c) The Secretary properly posted the notice of the meeting.
- d) Mr. Letica asked for any additions to the Agenda. No additions were made. Mr. Letica moved the Branding Sub-Committee report to the first item in New business.

2. AMENDMENTS TO MINUTES

Minutes for the July 23rd, 2019 regular meeting were distributed and reviewed.

Discussion: None

Motion: A motion offered by Greg Pixley, duly seconded by John Eckhardt, to approve the minutes for the July 23rd, 2019 regular meeting as submitted, and to direct the Secretary to certify the minutes. The motion carried by the following vote:

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders

Nay: 0

Abstain: Mazzei

3. OLD BUSINESS:

- a. **Committee Members:** Betty Enders and Anthony Mazzei terms expire December 31st, 2019. Both members were encouraged to reapply. Ian Culverhouse from the Denver Police Department was introduced and will replace Les Perry as committee member once final approval comes from the Mayor's Office.
- b. **Nationwide – Plan Participant Near-Retirement Marketing:** Michael Studebaker gave an overview on the Near-Retirement marketing materials. Greg Grieve and Rachel Schmelzer discussed their meetings with near-retirement participants. Heather Darlington from DERP was introduced and discussed efforts around near-retirement education.
- c. **Innovest Contract Extension –** Robert McDermott notified the Committee that the Innovest contract could be extended for an additional two years without additional cost.

Discussion: The Committee supported the amendment and extension of the Innovest contract.

Motion: A motion offered by John Eckhardt, duly seconded by Greg Pixley, to approve the amendment and extension of the contract with Innovest Portfolio Solutions by two years, so that the extended termination date will be December 31st, 2021, and to request the Department of Finance to effectuate such change. The motion carried by the following vote:

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei

Nay: 0

Abstain: 0

- d. **Plan Expenses –** Zlatko Letica and Greg King discussed Denver's 457(b) Deferred Compensation Committee's 2020 budget and items within the budget. Mr. Letica discussed further plan participant fees, changes in policy/funding of plan expenses, delegation of expense approvals, and necessary contract changes to implement expense fee collected by Nationwide.

Discussion: Zlatko Letica discussed budget items

Motion: A motion offered by John Eckhardt, duly seconded by Greg King, to approve the 457 proposed budget of \$145,570 for 2020 as presented and discussed here today. The motion carried by the following vote:

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei

Nay: 0
Abstain: 0

Discussion: The committee discussed whether a per participant fee will be charged or an increase to the basis points will be used to cover the approved budget, as well as the timing of the fees to be charged.

Motion: Whereas the City and County of Denver has advised the 457(b) deferred compensation plan through the Department of Finance that it will no longer pay the plans expenses after 2019, and whereas it is the prevailing practice for plans of our size for participants to pay plan administrative expenses; a motion offered by John Eckhardt, duly seconded by Anthony Mazzei, to approve an annual per-participant fee of \$14.00, to be charged to each plan participant beginning the first business day of the 2020 calendar year and the per-participant fee amount shall be set annually by the Committee to pay for the approved administrative expenses.

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei
Nay: 0
Abstain: 0

Discussion: The Committee discussed an amendment to the Nationwide contract to insert language needed by Nationwide to begin expense administration as contemplated by the Committee.

Motion: A motion offered by John Eckhardt, duly seconded by Greg Pixley, to approve an amendment to the Nationwide contract to insert language necessary for Nationwide to begin participant fee administration, and to request the Department of Finance to effectuate such change.

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei
Nay: 0
Abstain: 0

- e. Retired Public Safety Officer Election – Robert McDermott highlighted the Prototype Plan and Trust document changes necessary to add new Section 4.08 to allow eligible retired public safety officers to pay qualified premiums as allowed by Section 845 of the Pension Protection Act.

Discussion: None

Motion: A motion offered by Greg Pixley, duly seconded by John Eckhardt, to amend and add a new section 4.08 entitled "Election to Deduct from Distribution", to the Denver 457(b) Deferred Compensation Plan and Trust document, as presented in the draft Adoption Agreement discussed in the public meeting today, August 27th, 2019, and that the 457 Committee's Chair and Secretary be authorized and directed to execute and deliver the Adoption Agreement to the Plan Administrator.

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei
Nay: 0
Abstain: 0

4. NEW BUSINESS

- a. **Branding Sub-Committee:** Margaret Danuser highlighted rebranding efforts with the City's marketing team; Julie Smith and Cassie Schoon. Ms. Danuser and marketing team presented a proposed plan name change, new plan logo, and new plan slogan.

Discussion: None

Motion: A motion offered by John Eckhardt, duly seconded by Anthony Mazzei, to change the name of the Denver 457(b) Deferred Compensation Plan to "Summit Savings", effective August 27th, 2019.

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei
Nay: 0
Abstain: 0

Discussion: None

Motion: A motion offered by John Eckhardt, duly seconded by Anthony Mazzei, to approve the following slogans in conjunction with the new name that will include but not limited to, "Get with the Plan", "Plan for more", and "Your Future. Your Goals. Your Plan."

Aye: Letica, Eckhardt, King, Danuser, O'Brien, Pixley, Enders, Mazzei
Nay: 0
Abstain: 0

- b. **Enhanced Active Choice:** Chris O'Brien discussed language in Workday for enhanced active choice. Changes in Workday are to be implemented for the employee benefits selection period beginning in October.
- c. **Nationwide – Quarterly Review:** Michael Studebaker discussed the 2nd quarter metrics from the Quarterly report binder prepared by Nationwide. Don Regan discussed the 2017-2018 CCD 457(b) Plan metrics handout. Mr. Regan also discussed the number of personal meetings with participants.
- d. **Innovest – Deep Dive:** Gordon Tewell presented the Domestic Equity and Socially Responsible Funds handout.

5. SUB-COMMITTEE REPORTS

- a. **Branding Sub-Committee:** Moved to first item in New Business.
- b. **DERP Partnership Sub-Committee:** Zlatko Letica met with Steve Hutt and Heather Darlington of DERP on joint efforts on retirement readiness.

- c. **Investment Sub-Committee:** No update.
- d. **Plan Document Review:** No update.
- e. **Budget Design Committee:** Zlatko Letica assigned Robert McDermott to the sub-committee.

6. **PUBLIC COMMENT:** None

7. **EXECUTIVE SESSION:** None

8. **ADJOURN PUBLIC MEETING:**

Motion: A motion to adjourn the public meeting offered by Anthony Mazzei.

Approved

Aye: Letica, Eckhardt, King, Danuser, Perry, O'Brien, Pixley, Enders

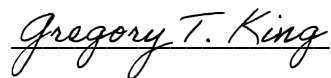
Nay: 0

Abstain: 0

Reminder that next regular meeting is Tuesday, September 24th, 2019 at 1:00pm and will be held in the Wellington Webb Municipal Building room 4.F.6

By signing below the Secretary hereby certifies the above minutes of August 27th, 2019 meeting were reviewed and approved by a majority vote of Committee members at a regular meeting held on September 24th, 2019.

Respectfully submitted,



Greg King, Secretary

457(b) Deferred Compensation Committee