457 DEFERRED COMPENSATION PLAN, 401(a) DEFINED CONTRIBUTION PLAN, AND RETIREMENT HEALTH SAVINGS PROGRAM COMMITTEE REGULAR MEETING MINUTES VIA TELECONFERENCE 9:00 A.M. JANUARY 24, 2022

1. CALL TO ORDER

The meeting was called to order by Chair Olson at 9:07 a.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Committee Members Present: Chair James Olson, Committee Members Kevin Brown, Mike Malone, Terrance Davis, and Mike Nichelini
Alternates Present: Alternates Felicia Escover, Allen French, Nick Rolley, and Allison Mattioli
Committee Members Absent: Committee Member Jason Ackley and Rekha Nayar
Alternates Absent: Alternate Jonathan Alberti, Jared Jaksch, Stephanie Sifuentes and Brisa Long
Staff Present: Secretary Brannick, Chief Innovation Officer Ashraf, and Sr. Personnel Analyst Fisher

4. REPORTS

A. **Report from Secretary to the Committee –** Secretary Brannick provided a quick update on the status of the Hyas Group contract and a few tips for future committee meetings.

5. COMMUNITY FORUM

Speakers: None.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

A. Approval of Minutes

Recommendation: Approval of the minutes from the October 18, 2021 meeting.

Chair Olson asked if there was any discussion needed for the review and approval of the October 18, 2021 minutes.

Action: Moved by Committee Mike Nichelini, seconded by Kevin Brown, and carried unanimously to approve the minutes as submitted.

7. PRESENTATION

A. Presentation by Michele Martin and Chad Parilla with MissionSquare

<u>Recommendation:</u> Presentation by Michele Martin and Chad Parilla, of MissionSquare on 2021 review and the 2022 planning discussion.

Ms. Martin and Mr. Parilla provided a presentation on the partial year of 2021, when MissionSquare became the sole vendor for the City's plans. The summary included a review of the investment types in use, provided by age groups, as well as a review of participant status in the plan (a look at active employees versus separate employees' funds in the plan). Ms. Martin indicated that it is important to monitor the participant status and to provide outreach to those separating to encourage their continued participation in the plan.

Ms. Martin and Mr. Parilla reviewed the efforts for participant engagement through webinars, emails, consultant appointments, etc. She indicated that MissionSquare monitors results of their efforts via different tracking. Some of the monitoring includes tracking of targeted email responses (checking the percentages opened, clicked, unsubscribed, etc.) and surveying those participants that have had a one-on-one appointment or attended a webinar.

The 2022 planning discussion recapped the methods used to connect with participants and potential participants include video, website, mobile app, email, phone, consultants, webinars, and social media. The goal is to assist them to learn, enroll, save, invest, monitor and update and retire. MissionSquare provided a year at a glance of the targeted messages for 2022 and identified that personalized messages linked to key life stages are available (for example, the over age catch up for those turning age 50).

Chair Olson asked if the Committee Members had any questions or comments for the presenters and none were provided.

B. Presentation by Vincent Galindo, Hyas Group

<u>Recommendation:</u> Presentation by Vincent Galindo on the Fourth Quarter 2021 performance data as of December 31, 2021 by the Hyas Group.

Vincent Galindo of the Hyas Group provided an introduction of himself and the Hyas Group for those new members to the Committee. He conveyed that the Hyas Group role is that of a fiduciary and therefore an advocate for the participants. While there may be some overlap with MissionSquare, their role is independent.

Mr. Galindo stated that while the written presentation has all of the information, his presentation will focus more on some of the key points, unless there are questions, but the information is there for review. The presentation began with an overview of some of the market conditions that affect performance, including economic indicators like inflation and unemployment, then bond and stock market performance, as well as the international stock market. Mr. Galindo then reviewed the City of Vallejo specific information. He noted an increase in approximately 10 million in the plan, but also confirmed that we need to watch the potential trend of the money leaving the plan.

Committee Member Nichelini asked some questions about the net negative amounts in the report and Mr. Galindo confirmed that they would have been money out either from withdraw of those separating, but also loans and emergency withdrawal. Mr. Galindo confirmed that the numbers were in line with what was being seen in other agencies, but that we should watch for trend. He advised that the City could create an educational program for those exiting employment.

During the presentation section on the City of Vallejo Investment fund performance, it was noted that three of the funds were currently listed in the "fail" column. Mr. Galindo explained that two of the three listed were only in the recommendation to watch since there had been a recent change in the co-manager that was considered a significant change. The International Intrinsic Value fund is one that actually should be up for consideration on replacement and it would be recommended to add an agenda item for review/discussion and consideration on the next meeting.

Committee Member Nichelini asked for further information on why Mr. Galindo had concerns about the particular fund as it appeared to be performing ok and Mr. Galindo reviewed that the fund was included to be a "value fund", rather than a "growth fund" and serve different purposes in the plan offering. The current fund serving in the growth fund role is performing better than the one in question.

Mr. Galindo also shared that Hyas Group will be reviewing and reporting out to the Committee on the fee structure during the quarterly review sessions.

Chair Olson asked if the Committee Members had any questions or comments for the presenter and none were provided.

8. ACTION ITEM(S)

A. Vote on Vice Chair

<u>Recommendation:</u> Vote on Vice Chair to replace Mark Love.

Chair Olson asked if there were any nominations for Vice Chair. Alternate Member Mattioli nominated Kevin Brown for the Vice Chair position and Committee Member Terrance Davis seconded the nomination.

Action: Moved by Alternate Member Mattioli, and seconded by Committee Member Davis, and carried unanimously by Committee Members present to appoint Committee Member Brown to Vice Chair.

B. Approve New Members

<u>Recommendation:</u> Approve new members to the Committee (Attachment A).

Chair Olson asked Secretary Brannick about the information that the list may be changing from that presented in the packet. Secretary Brannick suggested that each of the groups restate their members during the meeting and the Attachment A will be updated accordingly. The groups and departments reported members as follows:

IBEW – James Olson, main member, Nicholas Rolley, alternate
CAMP – Brisa Long, main member, Jason Ackley, alternate
IAFF – Kevin Brown, main member, Jonathan Alberti, alternate
VPOA – Michael Nichelini, main member, Jared Jaksch, alternate
Human Resources – Terrance Davis, main member, Stephanie Sifuentes, alternate
City Managers' Office – Michael Malone, main member, Felicia Escover, alternate

Finance – Rekha Nayar, main member, Allen French, alternate

Chair Olson asked for a motion on the approval of the members.

Action: Moved by Committee Member Nichelini, and seconded by Vice Chair Brown, and carried unanimously by Committee Members present to approve the main and alternate members as identified.

9. FUTURE AGENDA ITEMS

A. Discussion of Agenda Items for Future Meetings

Chair Olson identified that the next meeting should include the recommended review, discussion, and potential action on replacement of the International Intrinsic Value fund as identified by Mr. Galindo.

10. ADJOURNMENT

Action: Moved by Committee Member Brown, and seconded by Alternate Member Mattioli, and carried unanimously by Committee Members to adjourn the meeting.

The meeting was adjourned at 10:15 a.m.

James Olson
Digitally signed by James Olson
DN: cn=James Olson, o=City of Vallejo, ou=Public Works LMD, email=james.olson@cityofvallejo.net, c=US
Date: 2022.04.25 08:14:12 -07'00'

JAMES OLSON, CHAIRPERSON

ATTEST:

Sarah Brannick
Digitally signed by Sarah Brannick
DN: cn=Sarah Brannick, o=Human Resources, ou=Human resources Program Mangaer, email=sarah.brannick@cityofvallejo.net, c=US
Date: 2022.04.25 08:23:52 -07'00'

SARAH BRANNICK, EXECUTIVE SECRETARY