



Memorandum

TO: DEFERRED COMPENSATION
ADVISORY COMMITTEE

FROM: Eric Lemon
Finance Department

SUBJECT: SEE BELOW

DATE: March 02, 2021

Approved

Date 03/03/2021

**SUBJECT: PLAN REPORT – SECOND QUARTER ACTIVITY FOR FISCAL YEAR
2020-2021**

RECOMMENDATION

Approve the Deferred Compensation Plan Report for the second quarter of Fiscal Year 2020-2021.

OUTCOME

Provide the Deferred Compensation Advisory Committee (“DCAC”) with financial information and statistical data on the Deferred Compensation Plan (“Plan”).

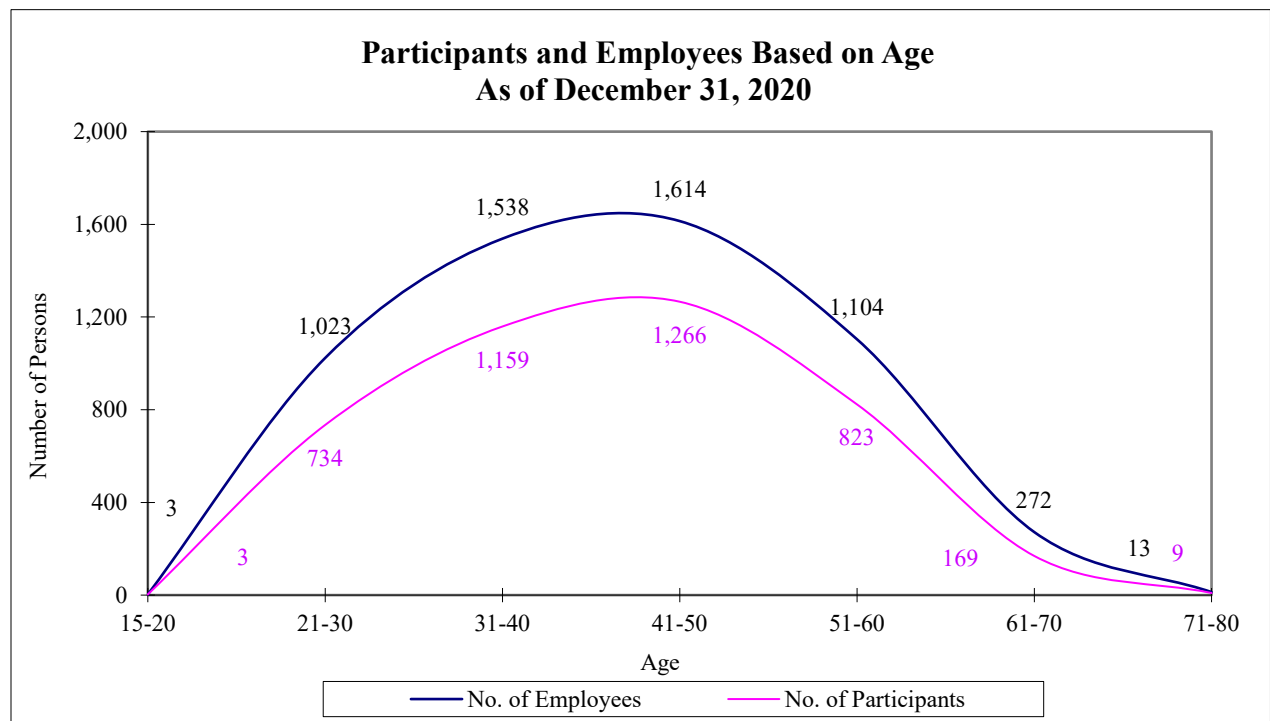
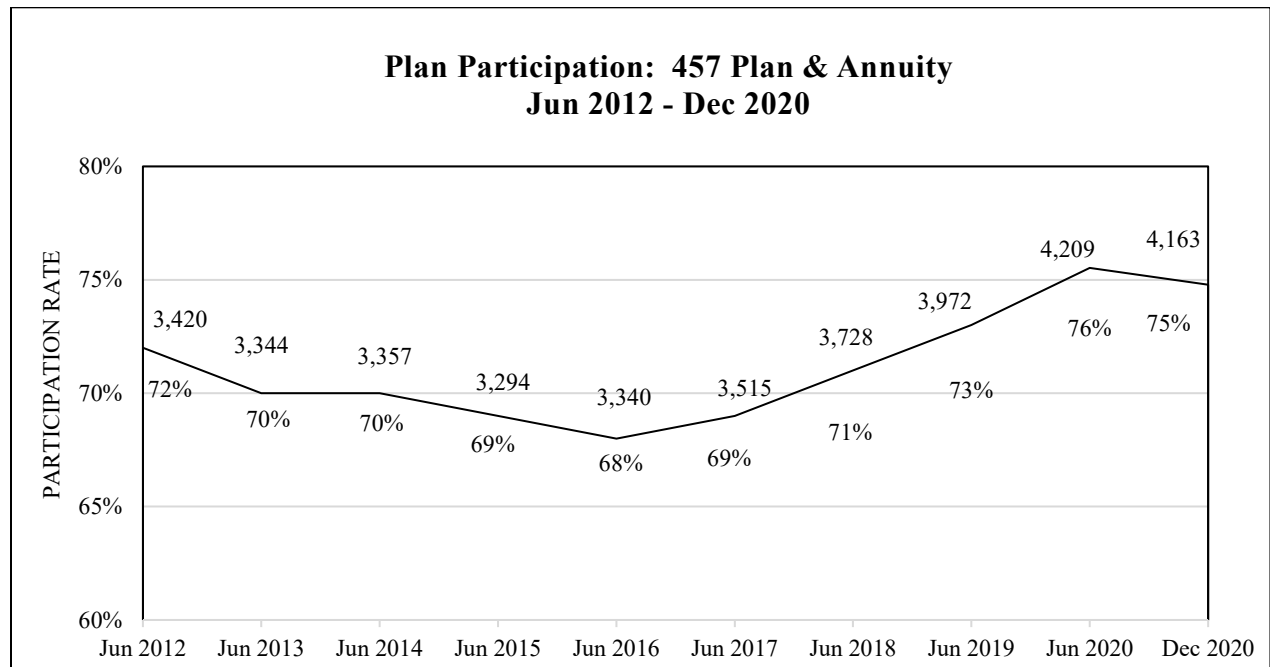
BACKGROUND

Each quarter, the Finance Department presents the following information to the DCAC: employee participation in the Plan; financial data regarding the Plan assets held by VOYA Financial, Inc. (“Plan Provider”); and financial activities pertaining to the administrative fund.

ANALYSIS

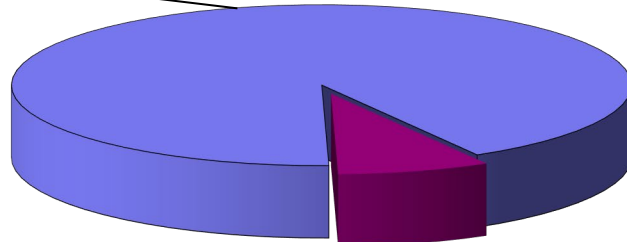
This section of the report is divided into three sections: Employee Plan Participation, Plan Assets, and Administrative Source and Use of Funds.

Employee Plan Participation - At December 31, 2020, the City’s Plan had a total of 4,163 full-time and 140 part-time voluntary plan participants. The total number of contributing participants represents 74.8 percent of eligible full-time employees and 7.0 percent of part-time employees (Exhibits B and D). Of the total number of contributing full-time participants, 92.0 percent are male for public safety employees, and 54.2 percent are male for miscellaneous (Non-Public Safety) employees. The majority of full-time employee participants at 30.4 percent are within 41 to 50 age range (Exhibit L). These numbers are consistent with those reported for the first quarter ended September 30, 2020.



**Full-time Employees Participation by Gender
for Public Safety Employees
as of December 31, 2020**

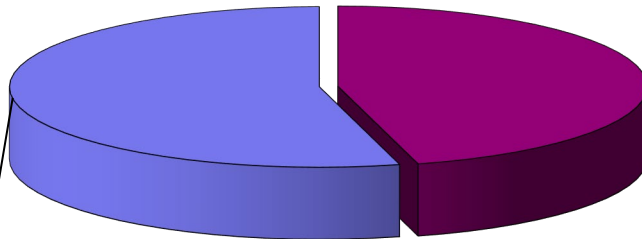
Male, 1,398 , 92.0%
(Public Safety Male
Employees, 1,595 , 92.1%)



Female, 121 , 8.0%
(Public Safety Female
Employees, 136 , 7.9%)

**Full-time Employees Participation by Gender
for Miscellaneous Employees
as of December 31, 2020**

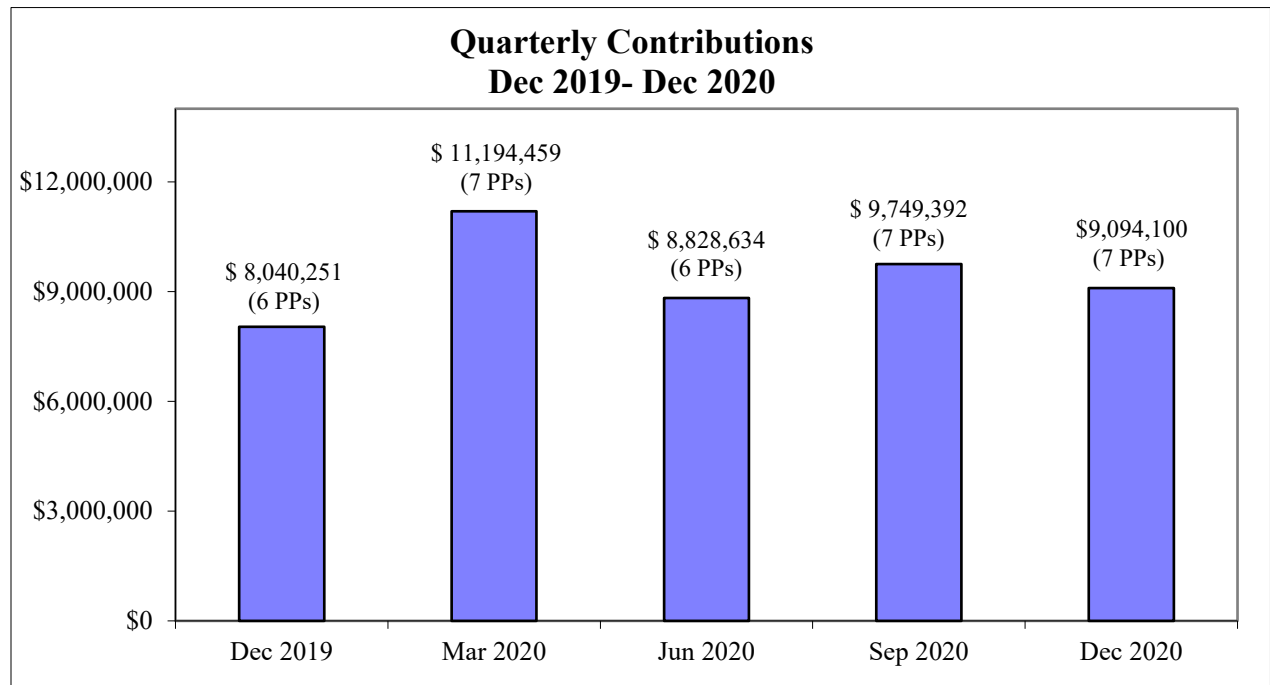
Male, 1,432 , 54.2%
(Misc. Male Employees,
2,140 , 55.8%)



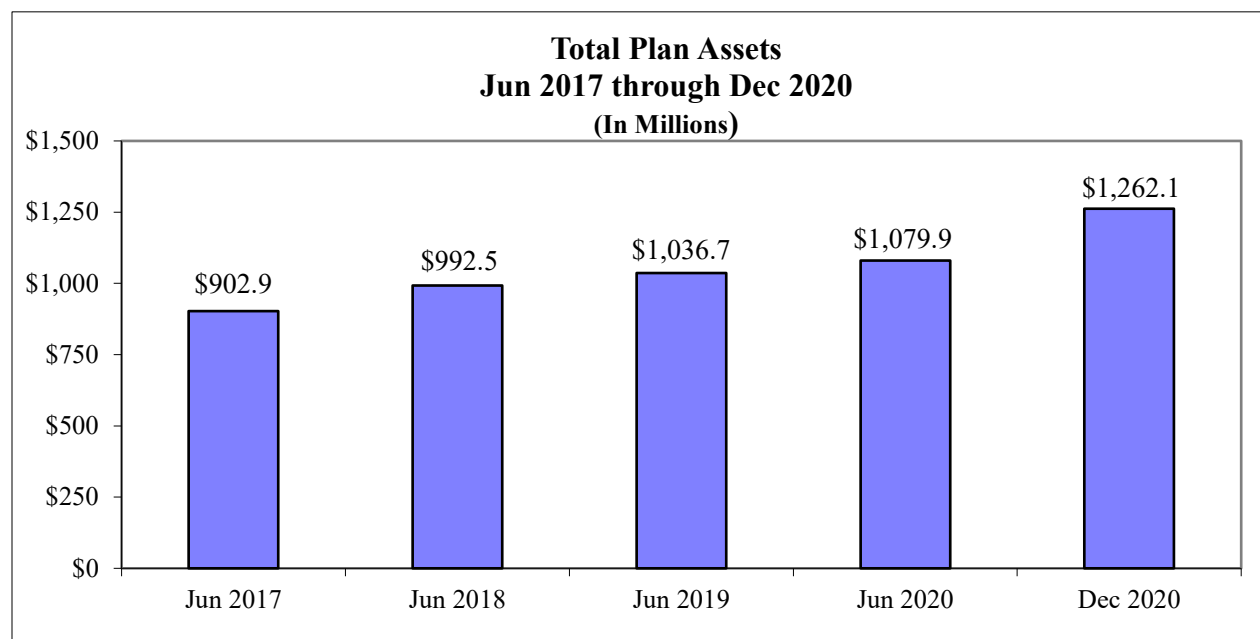
Female, 1,212 , 45.8%
(Misc. Female Employees,
1,696 , 44.2%)

Contribution – Total contributions through salary deductions decreased during the quarter ended December 31, 2020 by \$0.7 million (6.7 percent) to \$9.1 million when compared to the amounts reported for the quarter ended September 30, 2020. The decrease was primarily due to employees reaching their maximum contribution amount during the quarter.

The average employee contribution for the quarter ended December 31, 2020 was \$2,113, a decrease of \$147 (6.5 percent) as compared to the average employee contribution in the first quarter of this fiscal year (Exhibit E).

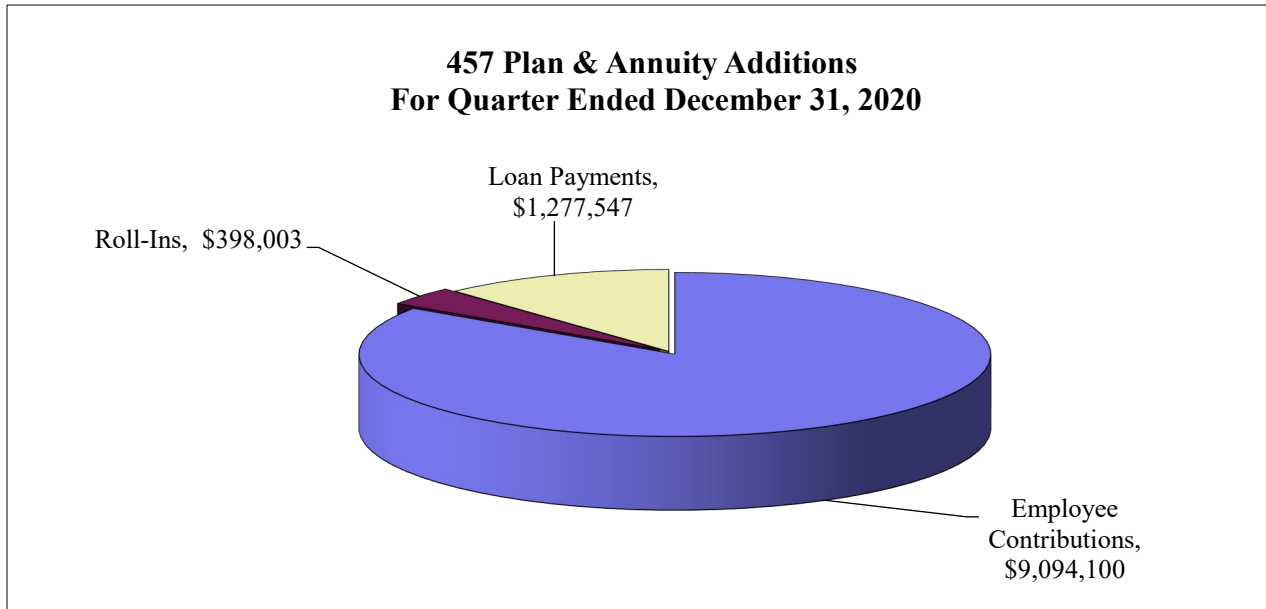


II. Plan Assets - Total plan assets increased by \$121.0 million, from \$1.1411 billion at September 30, 2020 to \$1.2621 billion at December 31, 2020. The balance at December 31, 2020 consisted of \$1.2486 billion in 457 plan, \$1.0 million in Annuity and \$12.5 million in loans outstanding. Details are provided in Exhibit G.

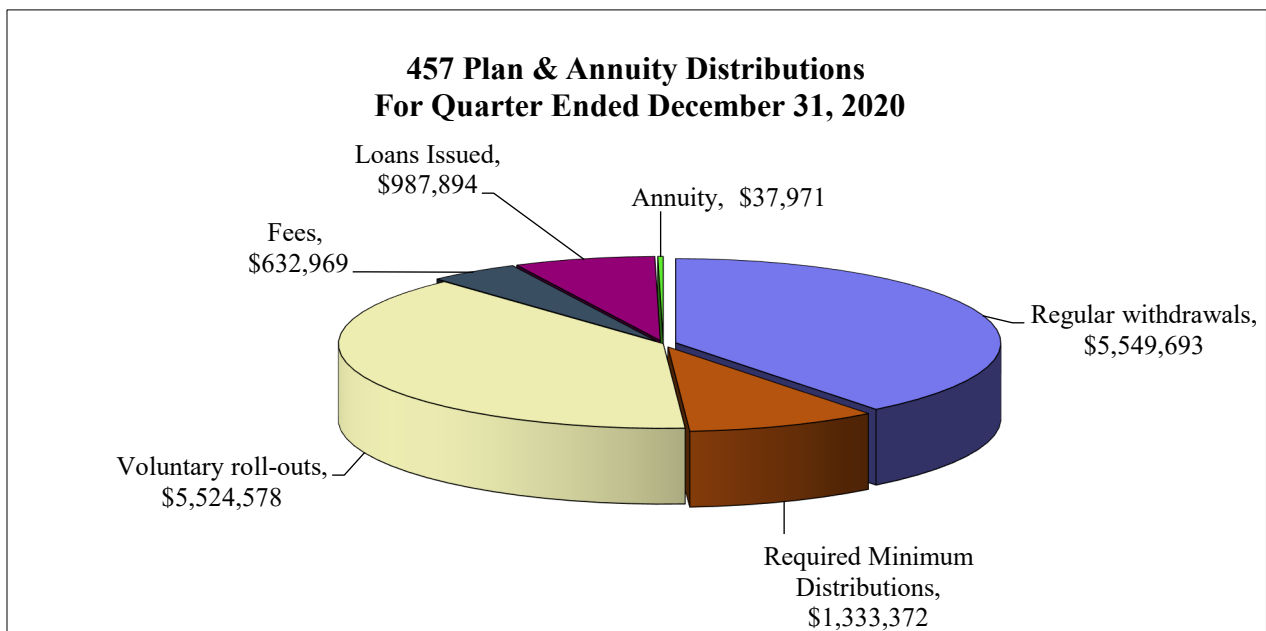


| Asset Balance Comparison June 2017 through Dec 2020 (In Millions) | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Plan | Jun 2017 | Jun 2018 | Jun 2019 | Jun 2020 | Dec 2020 |
| 457 | \$ 888.1 | \$ 978.5 | \$ 1,023.0 | \$ 1,066.2 | \$ 1,248.6 |
| Annuity | \$ 1.6 | \$ 1.1 | \$ 1.0 | \$ 1.0 | \$ 1.0 |
| Loans | \$ 13.2 | \$ 12.8 | \$ 12.7 | \$ 12.7 | \$ 12.5 |
| Total | \$ 902.9 | \$ 992.4 | \$ 1,036.8 | \$ 1,079.9 | \$ 1,262.1 |

Additions - For the quarter ended December 31, 2020, additions were comprised of employee contributions of \$9.1 million (84.4 percent), loan payments of \$1.3 million (11.9 percent), and roll-ins of \$0.4 million (3.7 percent).



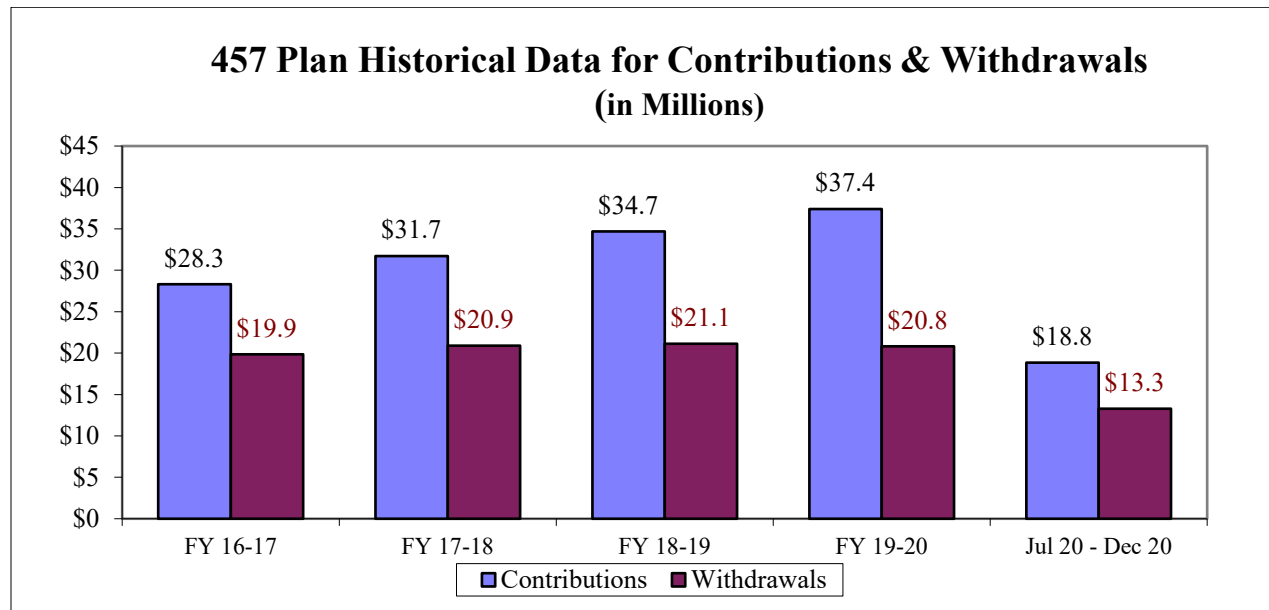
Distributions – During the quarter ended December 31, 2020, total distributions of \$14.1 million were the result of \$5.5 million (39.4 percent) of regular withdrawals, \$1.3 million (9.5 percent) of required minimum distribution, \$5.5 million (39.3 percent) roll-outs to other financial institutions, loans issued of \$1.0 million (7.0 percent), and annuity/fees of \$0.7 million (4.8 percent).



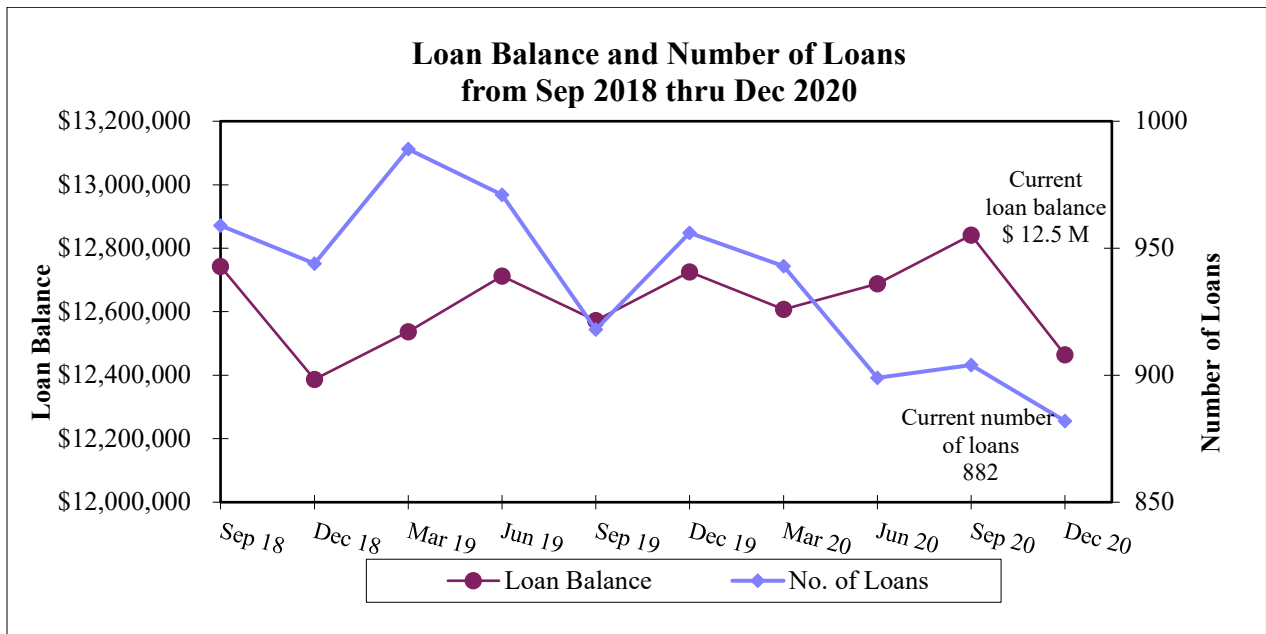
Investments Earnings/(Losses) - Total investment gains (457 investments and loan interest) were \$124.7 million for the current quarter, an increase of \$60.0 million compared to the investment gains reported for the first quarter ended September 30, 2020. This is primarily due to favorable market conditions in the second quarter of Fiscal Year 2020-2021. Please see Exhibit I for details. The table below shows historical data of earnings of the 457 plan for the last five years.

| 457 Plan & Annuity Historical Data - Earnings | | |
|---|----|-------------|
| FY 2016 - 2017 | \$ | 96,584,029 |
| FY 2017 - 2018 | \$ | 95,158,943 |
| FY 2018 - 2019 | \$ | 53,725,656 |
| FY 2019 - 2020 | \$ | 45,659,075 |
| Jul 2020 – Dec 2020 | \$ | 189,329,966 |

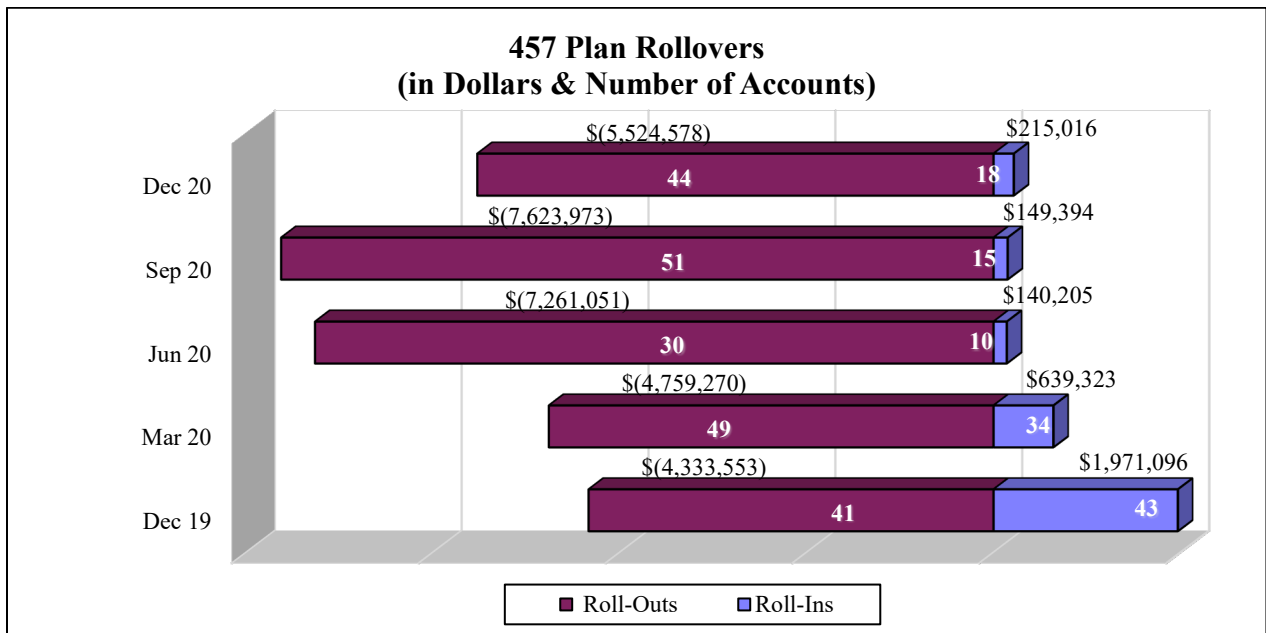
The following chart shows 457 Plan Historical Data for contributions & withdrawals over the last five years. For FY 2020-2021, contributions and withdrawals (including annuity) were \$18.8 million and \$13.3 million respectively (Exhibit I).



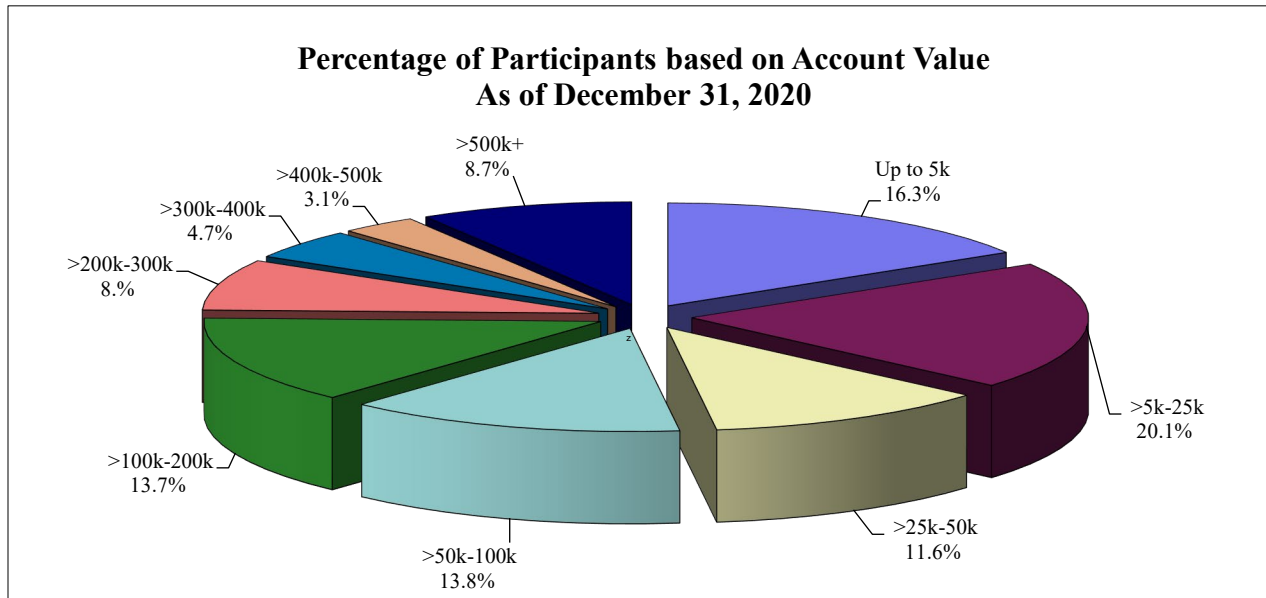
Loan Program – The City’s loan program is available to all active employees who participate in the Plan. The loans have a repayment period of up to 20 years, depending on the purpose of the loan. As of December 31, 2020, there were 882 loans outstanding totaling \$12.5 million. The balance represents 1.0 percent of total plan assets. More information on the loan program is provided in Exhibit J.



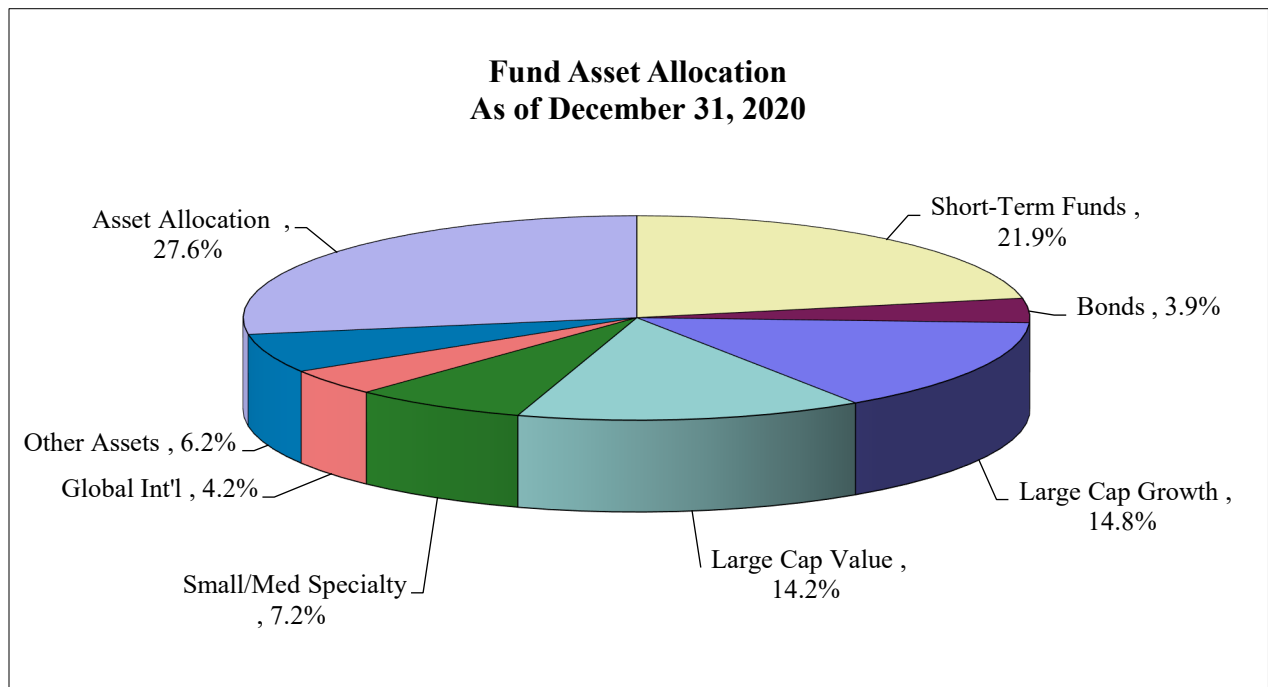
Roll-overs – For the quarter ended December 31, 2020, 18 accounts totaling \$0.2 million rolled into the 457 Plan, an increase of 3 accounts when compared to roll-ins in the previous quarter. For the current quarter, 44 accounts rolled out of the 457 Plan, a decrease of 7 accounts when compared to roll-outs in the previous quarter. The total value of accounts rolled out during the quarter was \$5.5 million, a decrease of \$2.1 million when compared to the previous quarter (Exhibit K). The following graph provides the rollover activities in the 457 Plan for the past 5 quarters.



Participant Account Balances – As of December 31, 2020, 16.3 percent of the accounts had balances below \$5,000, 20.1 percent of the accounts had balances between \$5,001 and \$25,000, and 54.9 percent of the accounts had balances between \$25,001 and \$500,000 in the 457 and Annuity Plans. The remaining 8.7 percent had an account balance of over \$500,000.



Fund Class Changes and Asset Allocation – As of December 31, 2020, the percentage of Other Assets increased by 0.7 percent during the current quarter when compared to the prior quarter while the percentage of Short-Term Funds decreased by 2.3 percent. Below is a summary of the fund asset allocation.



III. Administrative Source and Use of Funds – As of December 31, 2020, actual revenues were over quarterly budget at 104.1 percent due to a higher than expected cost reimbursement from the Plan Provider resulting from favorable investment market. Total expenditures were under quarterly budget at 38.4 percent mainly due to less personnel expenditures than expected.

**Deferred Compensation Program
Source and Use of Administrative Reimbursement Funds
Fiscal Year 2020-2021**

| | 2nd Quarter (Oct - Dec) | Total Fiscal Year | Projected Annual Budget | % of Budget |
|--|----------------------------|----------------------|----------------------------|-------------|
| Surplus - Beginning | \$ 358,913 | \$ 248,960 | | |
| Adjustment | - | - | | |
| Surplus - Beginning, Adjusted | 358,913 | 248,960 | | |
| Surplus - Beginning | 358,913 | 248,960 | | |
| Revenues | | | | |
| VOYA - Cost Reimb | 202,975 | 401,181 | 383,444 | 104.6% |
| Interest Earnings | 2,220 | 2,220 | 4,000 | 55.5% |
| Total Revenues | 205,195 | 403,401 | 387,444 | 104.1% |
| Expenditures | | | | |
| Personnel | 57,368 | 111,640 | 312,834 | 35.7% |
| Non-Personnel | 16,573 | 50,553 | 109,423 | 46.2% |
| Total Budgeted Expenditures | 73,941 | 162,193 | 422,257 | 38.4% |
| Refund to all plan participants | - | - | | |
| Total Expenditures | 73,941 | 162,193 | | |
| Surplus - Net Change | 131,254 | 241,207 | | |
| Ending Surplus - Reserved | 180,564 | 180,564 | | |
| Ending Surplus - Unreserved | 309,604 | 309,604 | | |
| Ending Surplus - Total | 490,168 | 490,168 | | |

Consistent with prior quarterly reports, attached are the graphs and schedules outlining plan activities, participation, and performance.

WJP

joliveras

Prepared by: William Phan
Accountant

Reviewed by: Jovilita Oliveras
Senior Accountant

**Deferred Compensation Program - 457 Plan & Annuity
Full-Time Employees Participation By Gender
as of December 31, 2020**

| Employees | Female | Male | Total |
|-----------------------------|---------------|--------------|--------------|
| Program Participants | 1,333 | 2,830 | 4,163 |
| Non-Participants | 499 | 905 | 1,404 |
| Totals | 1,832 | 3,735 | 5,567 |

**Deferred Compensation Program - 457 Plan & Annuity
Full -Time Employees Participation By Department
as of December 31, 2020**

| | Number of Employees | Number of Plan Participants | Percentage of Participation |
|---------------------------------------|------------------------|--------------------------------|--------------------------------|
| Airport | 199 | 133 | 66.83% |
| City Attorney | 77 | 55 | 71.43% |
| City Auditor | 13 | 7 | 53.85% |
| City Clerk | 14 | 12 | 85.71% |
| City Council & Mayor | 82 | 32 | 39.02% |
| City Manager | 73 | 46 | 63.01% |
| Community Energy | 24 | 14 | 58.33% |
| Environmental Services | 478 | 331 | 69.25% |
| Finance | 112 | 72 | 64.29% |
| Fire | 782 | 681 | 87.08% |
| Housing | 67 | 42 | 62.69% |
| Human Resources | 42 | 30 | 71.43% |
| Independent Police Auditor | 6 | 4 | 66.67% |
| Information Technology | 74 | 57 | 77.03% |
| Library | 224 | 151 | 67.41% |
| Office of Economic Development | 52 | 35 | 67.31% |
| Parks, Recreation & Neighborhood Svcs | 397 | 227 | 57.18% |
| Planning, Bldg, & Code Enforcement | 271 | 177 | 65.31% |
| Police | 1,617 | 1,362 | 84.23% |
| Public Works/General Services | 496 | 371 | 74.80% |
| Retirement Services | 35 | 28 | 80.00% |
| Transportation | 432 | 296 | 68.52% |
| Totals, December 31, 2020 | 5,567 | 4,163 | 74.78% |
| Totals, September 30, 2020 | 5,521 | 4,174 | 75.60% |
| Totals, June 30, 2020 | 5,573 | 4,209 | 75.52% |
| Totals, March 31, 2020 | 5,582 | 4,224 | 75.67% |
| Totals, December 31, 2019 | 5,527 | 4,146 | 75.01% |
| Totals, September 30, 2019 | 5,464 | 4,081 | 74.69% |
| Totals, June 30, 2019 | 5,450 | 3,972 | 72.88% |
| Totals, March 31, 2019 | 5,344 | 3,894 | 72.87% |
| Totals, December 31, 2018 | 5,367 | 3,906 | 72.78% |

**Deferred Compensation Program - 457 Plan & Annuity
Full -Time Employee Participation By Bargaining Unit
as of December 31, 2020**

| Bargaining Unit | Description | Number of Employees in Bargaining Unit | Participants by Bargaining Unit | Percentage of Participation |
|-----------------|---------------------------------|--|------------------------------------|--------------------------------|
| 11,12,14 | Police-POA | 1,151 | 1,014 | 88.1% |
| 21,22 | Firefighters-IAFF | 672 | 592 | 88.1% |
| 31 | Building Inspectors-ABMEI / INS | 76 | 42 | 55.3% |
| 41-43 | Engineers & Architects, AEA | 287 | 217 | 75.6% |
| 51,52 | MEF-AFSCME | 1,740 | 1,195 | 68.7% |
| 61 | Operating Engineers, OE3 | 612 | 399 | 65.2% |
| 71 | Electrical, IBEW | 58 | 43 | 74.1% |
| 83 | Mayor & Council Members | 11 | 2 | 18.2% |
| 111 | Maintenance Supervisors, AMSP | 108 | 76 | 70.4% |
| 121 | Park Rangers-POPRA | 11 | 8 | 72.7% |
| 211 | Represented Management, CAMP | 430 | 294 | 68.4% |
| 311 | Legal Professionals, ALP | 42 | 32 | 76.2% |
| 991 | City Manager Staff | 177 | 122 | 68.9% |
| 992 | Senior and Executive Staff | 26 | 20 | 76.9% |
| 996 | City Council Staff | 64 | 27 | 42.2% |
| 997 | City Auditor Staff | 74 | 61 | 82.4% |
| 998 | City Attorney Staff | 23 | 14 | 60.9% |
| 999 | Council Appointees | 5 | 5 | 100.0% |
| | Totals | 5,567 | 4,163 | 74.8% |

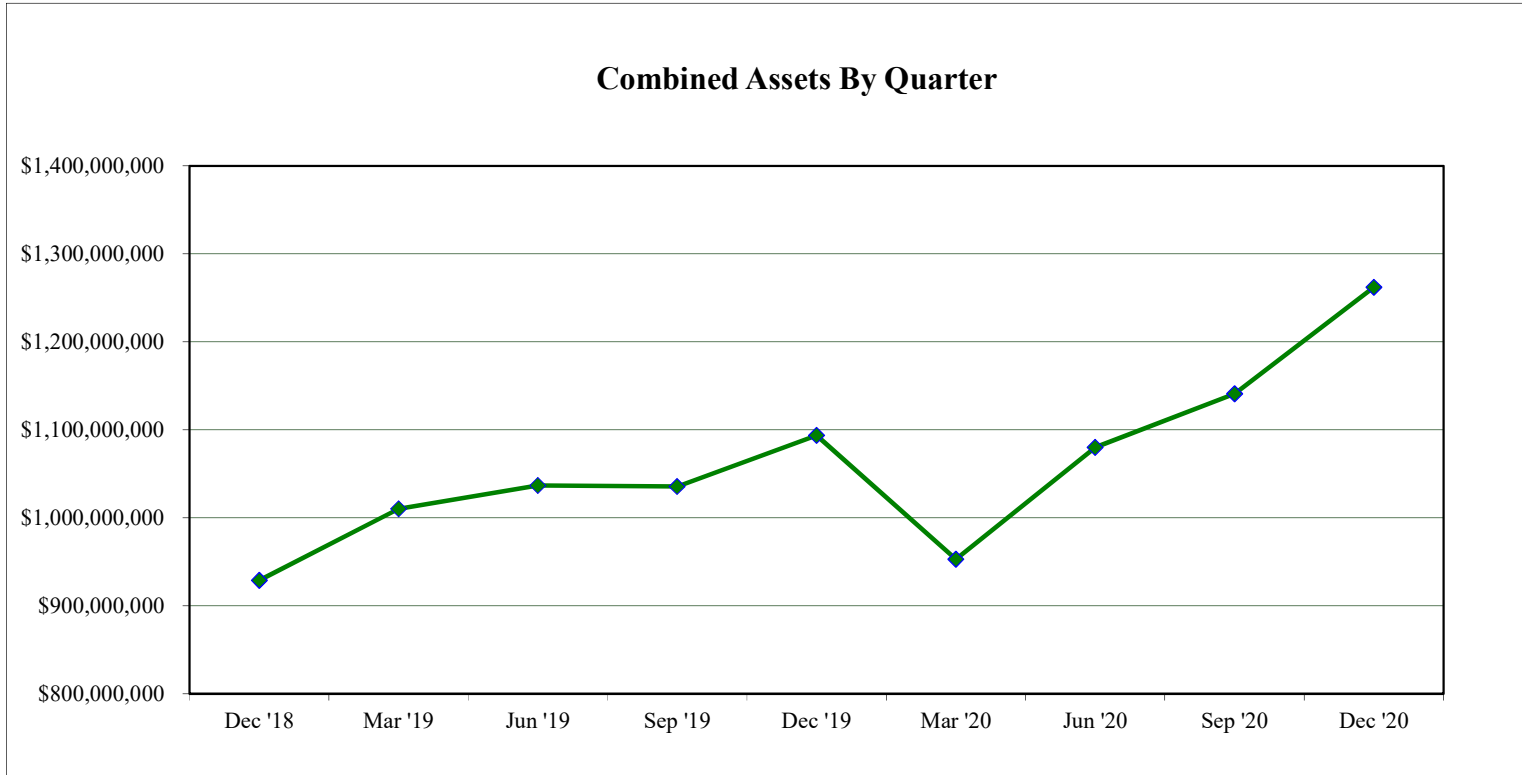
**Deferred Compensation Program - 457 Plan & Annuity
Part - Time Employees Participation to the 457 Plan
as of December 31, 2020**

| | Part -Time Employees | Number of Participants | Percentage of Participation |
|--|-------------------------|---------------------------|--------------------------------|
| Airport | 4 | 0 | 0.00% |
| Attorney | 4 | 0 | 0.00% |
| City Council & Mayor | 29 | 2 | 6.90% |
| City Manager | 9 | 1 | 11.11% |
| Community Energy | 3 | 0 | 0.00% |
| Environmental Services | 9 | 0 | 0.00% |
| Finance | 7 | 0 | 0.00% |
| Fire | 9 | 0 | 0.00% |
| Housing | 9 | 1 | 11.11% |
| Human Resources | 2 | 0 | 0.00% |
| Information Technology | 12 | 0 | 0.00% |
| Library | 306 | 57 | 18.63% |
| Office of Economic Development | 13 | 7 | 53.85% |
| Parks, Recreation & Neighborhood Svcs | 1,139 | 49 | 4.30% |
| Planning, Bldg, & Code Enforcement | 12 | 0 | 0.00% |
| Police | 261 | 15 | 5.75% |
| Public Works/General Services | 118 | 7 | 5.93% |
| Retirement Services | 5 | 0 | 0.00% |
| Transportation | 37 | 1 | 2.70% |
| Part-time Employees, December 31, 2020 | 1,988 | 140 | 7.04% |
| Part-time Employees, September 30, 2020 | 2,010 | 140 | 6.97% |
| Part-time Employees, June 30, 2020 | 2,011 | 142 | 7.06% |
| Part-time Employees, March 31, 2020 | 2,002 | 140 | 6.99% |
| Part-time Employees, December 31, 2019 | 2,014 | 139 | 6.90% |
| Part-time Employees, September 30, 2019 | 2,266 | 149 | 6.58% |
| Part-time Employees, June 30, 2019 | 2,279 | 124 | 5.44% |
| Part-time Employees, March 31, 2019 | 2,238 | 129 | 5.76% |
| Part-time Employees, December 31, 2018 | 2,275 | 123 | 5.41% |
| Part-time Employees, September 30, 2018 | 2,313 | 126 | 5.45% |
| Part-time Employees, June 30, 2018 | 2,338 | 124 | 5.30% |

**Deferred Compensation Program - 457 Plan
Average Contribution
Fiscal Year 2020 - 2021**

| | 1st Quarter (Jul-Sep) | 2nd Quarter (Oct-Dec) | Change from 1st QTR FY21 to 2nd QTR FY21 Increase (Decrease) |
|--|--------------------------|--------------------------|--|
| 457 Plan | | | |
| Employee Contributions | \$ 9,749,392 | \$ 9,094,100 | \$ (655,292) |
| Number of Participants* | 4,314 | 4,303 | \$ (11) |
| Average contribution per employee | \$ 2,260 | \$ 2,113 | \$ (147) |

* Combined Full-time (4163) and Part-time (140) employees with voluntary contribution



| QUARTER ENDED * | | |
|-----------------|-------------------|-------------------------------------|
| Quarter | Total Plan Assets | Percentage Change from last Quarter |
| Dec '18 | \$ 928,947,489 | -8.94% |
| Mar '19 | \$ 1,010,088,939 | 8.73% |
| Jun '19 | \$ 1,036,702,525 | 2.63% |
| Sep '19 | \$ 1,035,436,392 | -0.12% |
| Dec '19 | \$ 1,093,613,915 | 5.62% |
| Mar '20 | \$ 952,938,331 | -12.86% |
| Jun '20 | \$ 1,079,859,698 | 13.32% |
| Sep '20 | \$ 1,141,094,066 | 5.67% |
| Dec '20 | \$ 1,262,102,812 | 10.60% |

* Combined assets consist of assets in 457 Plan, Annuity and Loans Receivable.

Deferred Compensation Program
Schedule of Combined Assets
By Fiscal Quarter
Fiscal Year 2020 - 2021

| Assets | 1st Quarter (Jul-Sep) | 2nd Quarter (Oct-Dec) | 3rd Quarter (Jan-Mar) | 4th Quarter (Apr-Jun) |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 457 Plan | \$ 1,127,284,481 | 1,248,667,725 | | |
| Annuity | 968,296 | 970,752 | | |
| Loans Receivable | 12,841,289 | 12,464,335 | | |
| Ending Balance | \$ 1,141,094,066 | \$ 1,262,102,812 | \$ - | \$ - |

Note: PTC Loans Receivable is excluded.

**Deferred Compensation Program - 457 Plan & Annuity
Statement of Changes in Assets
Fiscal Year 2020 - 2021**

| | 1st Quarter (Jul-Sep) | | 2nd Quarter (Oct-Dec) | | Fiscal Year to Date | Change from 1st QTR FY21 to 2nd QTR FY21 Increase (Decrease) |
|------------------------------------|--------------------------|----|--------------------------|----|---------------------------|--|
| Beginning Balance | \$ 1,067,171,112 | \$ | 1,128,252,777 | \$ | 1,067,171,112 | 61,081,665 |
| Add: | | | | | | |
| Payroll Contributions | 9,749,392 | \$ | 9,094,100 | \$ | 18,843,492 | (655,292) |
| Roll-Ins & Adjustments | 274,585 | \$ | 398,003 | \$ | 672,588 | 123,418 |
| Loan Payments Received | 1,177,523 | \$ | 1,277,547 | \$ | 2,455,070 | 100,024 |
| Deduct: | | | | | | |
| Loans Issued | (1,412,454) | \$ | (987,894) | \$ | (2,400,348) | 424,560 |
| Withdrawals & Roll-outs | (12,905,421) | \$ | (12,445,614) | \$ | (25,351,035) | 459,807 |
| Administrative Fees | (449,399) | \$ | (632,969) | \$ | (1,082,368) | (183,570) |
| Earnings (Loss): | | | | | | |
| 457 Investments | 64,515,645 | \$ | 124,551,355 | \$ | 189,067,000 | 60,035,710 |
| Loan Interest | 131,794 | \$ | 131,172 | \$ | 262,966 | (622) |
| Ending Balance | \$ 1,128,252,777 | \$ | 1,249,638,477 | \$ | 1,249,638,477 | 121,385,700 |

Deferred Compensation Program
Historical Data - 457 Plan & Annuity
Fiscal Year 2016-2017 through Fiscal Year 2020-2021

| | Payroll Contributions | Other Contributions /Roll-ins | Loan Repayment | Loans Issued | Withdrawal (Includes Loan Fees) | Loans Deemed Distributed | Roll-outs to Other Financial Institutions | In Plan Roth Roll-ins | Earnings (Includes Interest from Loans) |
|---------------------|-----------------------|-------------------------------|---------------------|-----------------------|---------------------------------|--------------------------|---|-----------------------|---|
| FY 2016-2017 | | | | | | | | | |
| 1st Qtr | \$ 7,179,501 | \$ 600,574 | \$ 1,264,690 | \$ (1,559,965) | \$ (4,375,827) | \$ (138,531) | \$ (3,527,929) | \$ - | \$ 28,076,731 |
| 2nd Qtr | 6,053,389 | 395,513 | 1,271,721 | (1,270,480) | (4,861,572) | (131,089) | (6,991,860) | - | 8,488,715 |
| 3rd Qtr | 8,263,665 | 492,842 | 1,305,466 | (1,370,636) | (6,300,788) | (92,238) | (3,382,846) | - | 37,224,275 |
| 4th Qtr | 6,815,912 | 337,577 | 1,306,230 | (1,394,067) | (4,315,680) | (241,263) | (6,514,993) | - | 22,794,308 |
| Total | \$ 28,312,467 | \$ 1,826,506 | \$ 5,148,107 | \$ (5,595,148) | \$ (19,853,867) | \$ (603,121) | \$ (20,417,628) | \$ - | \$ 96,584,029 |
| FY 2017-2018 | | | | | | | | | |
| 1st Qtr | \$ 7,971,412 | \$ 583,007 | \$ 1,454,490 | \$ (1,540,573) | \$ (3,435,605) | \$ (33,934) | \$ (3,082,076) | \$ - | \$ 28,981,220 |
| 2nd Qtr | 6,553,918 | 568,220 | 1,284,445 | (1,273,493) | (6,384,678) | (93,324) | (4,879,567) | - | 36,922,667 |
| 3rd Qtr | 8,029,900 | 392,739 | 1,190,089 | (1,205,476) | (6,323,583) | (122,635) | (5,517,799) | - | 7,661,632 |
| 4th Qtr | 9,144,052 | 1,090,688 | 1,471,094 | (1,355,640) | (4,760,414) | (103,532) | (5,223,343) | - | 21,593,424 |
| Total | \$ 31,699,282 | \$ 2,634,654 | \$ 5,400,118 | \$ (5,375,182) | \$ (20,904,280) | \$ (353,425) | \$ (18,702,785) | \$ - | \$ 95,158,943 |
| FY 2018-2019 | | | | | | | | | |
| 1st Qtr | \$ 8,786,714 | \$ 1,308,696 | \$ 1,411,861 | \$ (1,427,696) | \$ (4,050,196) | \$ (67,434) | \$ (8,552,011) | \$ - | \$ 30,303,963 |
| 2nd Qtr | 7,010,428 | 93,730 | 1,184,575 | (981,200) | (5,818,331) | (152,636) | (6,763,423) | - | (85,611,509) |
| 3rd Qtr | 10,573,023 | 418,713 | 1,359,269 | (1,630,496) | (5,256,746) | (121,285) | (5,089,422) | - | 80,617,167 |
| 4th Qtr | 8,318,649 | 1,264,852 | 1,134,464 | (1,564,033) | (5,998,407) | (254,496) | (5,133,045) | - | 28,416,034 |
| Total | \$ 34,688,815 | \$ 3,085,990 | \$ 5,090,169 | \$ (5,603,425) | \$ (21,123,680) | \$ (595,851) | \$ (25,537,901) | \$ - | \$ 53,725,655 |
| FY 2019-2020 | | | | | | | | | |
| 1st Qtr | \$ 9,320,826 | \$ 1,029,313 | \$ 1,268,088 | \$ (1,356,477) | \$ (4,147,356) | \$ (227,950) | \$ (5,913,632) | \$ - | \$ (1,327,334) |
| 2nd Qtr | 8,040,251 | 1,995,487 | 1,124,561 | (1,343,495) | (6,336,963) | (66,353) | (4,333,553) | 25,000 | 58,853,654 |
| 3rd Qtr | 11,194,459 | 639,326 | 1,221,075 | (1,324,762) | (6,972,969) | (221,113) | (4,759,270) | - | (140,556,017) |
| 4th Qtr | 8,828,634 | 159,237 | 989,723 | (1,189,287) | (3,375,677) | (151,139) | (7,261,051) | - | 128,688,772 |
| Total | \$ 37,384,170 | \$ 3,823,363 | \$ 4,603,447 | \$ (5,214,021) | \$ (20,832,966) | \$ (666,555) | \$ (22,267,507) | \$ 25,000 | \$ 45,659,075 |
| FY 2020-2021 | | | | | | | | | |
| 1st Qtr | \$ 9,749,392 | \$ 274,585 | \$ 1,177,523 | \$ (1,412,454) | \$ (5,730,847) | \$ (101,757) | \$ (7,623,973) | \$ - | \$ 64,647,439 |
| 2nd Qtr | 9,094,100 | 398,003 | 1,277,547 | (987,894) | (7,554,005) | (35,182) | (5,524,578) | - | 124,682,527 |
| 3rd Qtr | - | - | - | - | - | - | - | - | - |
| 4th Qtr | - | - | - | - | - | - | - | - | - |
| Total | \$ 18,843,492 | \$ 672,588 | \$ 2,455,070 | \$ (2,400,348) | \$ (13,284,852) | \$ (136,939) | \$ (13,148,551) | \$ - | \$ 189,329,966 |

Deferred Compensation Program - Loans Receivable
Statement of Changes in Assets
Fiscal Year 2020 - 2021

| | 1st Quarter (Jul-Sep) | 2nd Quarter (Oct-Dec) | Change from 1st QTR FY21 to 2nd QTR FY21 Increase (Decrease) |
|-------------------------------|--------------------------|--------------------------|--|
| Beginning Balance | \$ 12,688,587 | \$ 12,841,289 | \$ 152,702 |
| Loans Issued | 1,431,983 | \$ 935,775 | \$ (496,208) |
| Loan Repayments | (1,177,523) | \$ (1,277,547) | \$ (100,024) |
| Loans Deemed Withdrawn | (101,758) | \$ (35,182) | \$ 66,576 |
| Ending Balance | \$ 12,841,289 | \$ 12,464,335 | \$ (376,954) |

Note: PTC Loans Receivable is excluded.

**Deferred Compensation Program - 457 Plan
Transfer Activity
For Quarter Ended December 31, 2020**

| Month | Roll-ins* | Number of Accounts Rolled-in | Roll-outs** | Number of Accounts Rolled-out |
|--------------|-------------------|---|---------------------|--|
| Oct | \$ 38,752 | 7 | \$ 2,425,177 | 21 |
| Nov | \$ 158,342 | 8 | \$ 486,974 | 8 |
| Dec | \$ 17,922 | 3 | \$ 2,612,427 | 15 |
| Total | \$ 215,016 | 18 | \$ 5,524,578 | 44 |

* Money transferred into the Plan from other financial institutions

** Money transferred out of the Plan to other financial institutions

**Deferred Compensation Program - 457 Plan & Annuity
Account Value and Participant Profile**



| 457 Plan - By Account Value | | | | | |
|-----------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|
| | As of Dec. 31, 2019 | As of Mar. 31, 2020 | As of Jun. 30, 2020 | As of Sept. 30, 2020 | As of Dec. 31, 2020 |
| Up to 5,000 | 1,694 | 1,919 | 1,552 | 1,446 | 1,333 |
| 5,001 - 25,000 | 1,559 | 1,647 | 1,601 | 1,648 | 1,642 |
| 25,001 - 50,000 | 936 | 973 | 975 | 948 | 949 |
| 50,001 - 100,000 | 1,092 | 1,113 | 1,112 | 1,118 | 1,128 |
| 100,001 - 200,000 | 1,136 | 1,140 | 1,123 | 1,125 | 1,125 |
| 200,001 - 300,000 | 634 | 572 | 628 | 630 | 657 |
| 300,001 - 400,000 | 370 | 387 | 352 | 362 | 385 |
| 400,001 - 500,000 | 296 | 254 | 309 | 300 | 255 |
| 500,000 and above | 521 | 381 | 501 | 566 | 711 |
| Total Accounts | 8,238 | 8,386 | 8,153 | 8,143 | 8,185 |

| By Years of Services | | | | | | | | | |
|------------------------|----------------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|
| As of Dec. 31, 2020 | Tier 1 | | | Tier 2 | | | Tier 3 | | |
| | No. of full-time employees | No. of Plan Participants | % Contributed from Total | No. of full-time employees | No. of Plan Participants | % Contributed from Total | No. of full-time employees | No. of Plan Participants | % Contributed from Total |
| 0-5 | 55 | 35 | 0.86% | 2,078 | 1,458 | 24.57% | 41 | 17 | 0.37% |
| 5-10 | 237 | 175 | 4.28% | 735 | 508 | 11.39% | 7 | 2 | 0.11% |
| 10-20 | 1,261 | 1,013 | 23.86% | 44 | 31 | 0.55% | | | 0.00% |
| 20-30 | 960 | 800 | 23.00% | 4 | 3 | 0.03% | | | 0.00% |
| 30+ | 54 | 37 | 0.85% | | | 0.00% | | | 0.00% |
| Total | 2,567 | 2,060 | 52.86% | 2,861 | 2,000 | 36.54% | 48 | 19 | 0.48% |



Continued

* The remaining 10.12 percent accounts for Part-Time employees that contributed to the Plan 666779 and employees that separated from the City as of this quarter.

**Deferred Compensation Program - 457 Plan & Annuity
Account Value and Participant Profile**

Continued

| By Age | | |
|--------------------------------|---|-------------------------------------|
| As of Dec. 31, 2020 | No. of full-time employees | No. of Plan Participants |
| 15-20 | 3 | 3 |
| 21-30 | 1,023 | 734 |
| 31-40 | 1,538 | 1,159 |
| 41-50 | 1,614 | 1,266 |
| 51-60 | 1,104 | 823 |
| 61-70 | 272 | 169 |
| 71-80 | 13 | 9 |
| Total | 5,567 | 4,163 |

| Annuity Accounts | | | | | |
|-------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | As of Dec. 31, 2019 | As of Mar. 31, 2020 | As of Jun. 30, 2020 | As of Sept. 30, 2020 | As of Dec. 31, 2020 |
| Fixed Plan | 23 | 23 | 22 | 22 | 22 |
| Variable Plan | 10 | 10 | 10 | 10 | 10 |
| Total Accounts | 33 | 33 | 32 | 32 | 32 |

Concluded

Deferred Compensation Program - 457 Plan & Annuity
Investment Detail
Balance By Quarter

| | Balance as of 12/31/2019 | Balance as of 3/31/2020 | Balance as of 6/30/2020 | Balance as of 9/30/2020 | Balance as of 12/31/2020 | Investment (%) as of 12/31/2020 |
|-------------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|------------------------------------|
| Fund | | | | | | |
| Stable Value Option Fund | \$ 235,404,663 | \$ 246,061,205 | \$ 247,332,512 | \$ 253,845,919 | \$ 274,040,420 | 21.9% |
| Vanguard Federal MoneyMarket | \$ 16,095,388 | \$ 19,427,781 | \$ 19,526,356 | \$ 18,770,460 | \$ - | 0.0% |
| Short-Term Funds | \$ 251,500,051 | \$ 265,488,986 | \$ 266,858,868 | \$ 272,616,379 | \$ 274,040,420 | 21.9% |
| Templeton Global Bond Fund R6 | \$ - | \$ - | \$ 7,112,419 | \$ 6,710,096 | \$ 6,784,538 | 0.6% |
| Templeton Global Bond VIP Fd 1 | \$ 6,694,077 | \$ 7,620,210 | \$ - | \$ - | \$ - | 0.0% |
| BlackRock Infl Prot Bnd Port Inst | \$ 6,983,114 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Loomis Sayles Core Plus Bd F N | \$ 28,044,031 | \$ 38,324,920 | \$ 37,965,008 | \$ 39,711,327 | \$ 41,298,363 | 3.3% |
| Bond Funds | \$ 41,721,222 | \$ 45,945,130 | \$ 45,077,427 | \$ 46,421,423 | \$ 48,082,901 | 3.9% |
| American Funds Growth Fnd R5 | \$ 110,919,582 | \$ 90,407,133 | \$ 113,201,900 | \$ 128,187,542 | \$ 148,160,813 | 11.8% |
| Fidelity Adv New Insights Fund I | \$ 30,621,556 | \$ 24,527,726 | \$ 31,019,499 | \$ 34,883,752 | \$ 37,192,971 | 3.0% |
| Large Cap Growth | \$ 141,541,138 | \$ 114,934,859 | \$ 144,221,399 | \$ 163,071,294 | \$ 185,353,784 | 14.8% |
| AMG Yacktman Fund I | \$ 34,757,075 | \$ 25,716,992 | \$ 28,891,793 | \$ 29,788,366 | \$ 34,407,598 | 2.7% |
| Vanguard TotStock Mrkt Index | \$ 58,861,527 | \$ 47,255,462 | \$ 56,980,875 | \$ 62,720,412 | \$ 70,694,615 | 5.6% |
| Vanguard Instl Index Fund | \$ 40,491,435 | \$ 33,421,114 | \$ 39,092,151 | \$ 39,487,035 | \$ 43,184,187 | 3.5% |
| Parnassus Core Equity Fund Inst | \$ 7,525,913 | \$ 5,848,489 | \$ 7,238,331 | \$ 7,548,521 | \$ 8,895,798 | 0.7% |
| Vanguard Equity Income Fund Adm | \$ 22,829,319 | \$ 17,216,418 | \$ 19,264,070 | \$ 18,811,333 | \$ 20,626,670 | 1.7% |
| Large Cap Value | \$ 164,465,269 | \$ 129,458,475 | \$ 151,467,220 | \$ 158,355,667 | \$ 177,808,868 | 14.2% |
| VY Clarion Real Estate Port Inst | \$ 7,145,504 | \$ 4,989,254 | \$ 5,330,909 | \$ 4,931,502 | \$ 5,421,365 | 0.4% |
| Vanguard Small-Cap Index Fund | \$ 21,658,550 | \$ 13,691,046 | \$ 16,248,225 | \$ 17,375,434 | \$ 22,489,543 | 1.8% |
| Vanguard Mid-Cap Index | \$ 20,722,510 | \$ 13,906,163 | \$ 16,632,783 | \$ 17,236,591 | \$ 20,170,225 | 1.6% |
| Janus Hndr Small Cap Val Fd N | \$ - | \$ - | \$ - | \$ - | \$ 2,269,313 | 0.2% |
| Janus Hndrsn Small Cap Value Fund I | \$ 2,988,383 | \$ 2,006,725 | \$ 3,146,708 | \$ 2,025,373 | \$ - | 0.0% |
| JPMorgan Mid Cap Value Fund L | \$ 6,112,122 | \$ 4,107,307 | \$ 5,399,693 | \$ 2,941,021 | \$ 3,424,364 | 0.3% |
| Emerald Growth Fund Inst | \$ 4,548,033 | \$ 3,183,254 | \$ 4,409,543 | \$ 5,000,485 | \$ 6,972,997 | 0.6% |
| Janus Hndrsn Enterprise Fund N | \$ 30,248,169 | \$ 21,286,076 | \$ 26,764,237 | \$ 25,517,734 | \$ 28,474,071 | 2.3% |
| Small/Med Specialty | \$ 93,423,271 | \$ 63,169,825 | \$ 77,932,098 | \$ 75,028,140 | \$ 89,221,878 | 7.2% |

Continued

| | Balance as of 12/31/2019 | Balance as of 3/31/2020 | Balance as of 6/30/2020 | Balance as of 9/30/2020 | Balance as of 12/31/2020 | Investment (%) as of 12/31/2020 |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|------------------------------------|
| Continued | | | | | | |
| Vanguard Tot Intl St Indx Fnd Adm | \$ 8,083,997 | \$ 5,935,085 | \$ 6,207,877 | \$ 5,238,088 | \$ - | 0.0% |
| Vangrd Tot Int Stk In F Ins | \$ - | \$ - | \$ - | \$ - | \$ 6,194,564 | 0.5% |
| American Funds EuroPacific Grw R6 | \$ - | \$ - | \$ - | \$ - | \$ 30,945,855 | 2.5% |
| American Funds EuroPacific Grw R5 | \$ 22,794,543 | \$ 16,941,748 | \$ 21,332,504 | \$ 25,916,260 | \$ - | 0.0% |
| Inv Opp Developing Markets Fund Y | \$ 11,953,517 | \$ 8,769,793 | \$ 9,974,456 | \$ 9,788,318 | \$ 11,428,760 | 0.9% |
| DFA Int'l Small CO - Class | \$ 3,889,675 | \$ 2,744,071 | \$ 3,335,381 | \$ 3,250,079 | \$ 3,688,531 | 0.3% |
| Global Int'l | \$ 46,721,732 | \$ 34,390,697 | \$ 40,850,218 | \$ 44,192,745 | \$ 52,257,710 | 4.2% |
| Ameritrade-SF Dir Acct | \$ 39,041,324 | \$ 36,840,360 | \$ 48,850,633 | \$ 62,521,177 | \$ 77,039,382 | 6.2% |
| Other Assets | \$ 39,041,324 | \$ 36,840,360 | \$ 48,850,633 | \$ 62,521,177 | \$ 77,039,382 | 6.2% |
| Moderate Custom Lifestyle Port | \$ 122,483,410 | \$ 98,583,270 | \$ 112,033,818 | \$ 115,579,224 | \$ 128,106,913 | 10.3% |
| Aggressive Custom Lifestyle Port | \$ 97,181,445 | \$ 76,549,312 | \$ 92,707,447 | \$ 96,224,318 | \$ 110,782,193 | 8.9% |
| Conservative Custom Lifestyle Port | \$ 21,976,496 | \$ 21,468,671 | \$ 23,665,869 | \$ 24,853,212 | \$ 26,777,550 | 2.1% |
| Vanguard T Retirement 2015 | \$ 3,057,296 | \$ 2,993,196 | \$ 2,834,001 | \$ 2,715,212 | \$ 2,721,113 | 0.2% |
| Vanguard T Retirement 2025 | \$ 6,370,412 | \$ 5,836,312 | \$ 7,022,428 | \$ 7,561,381 | \$ 9,674,650 | 0.8% |
| Vanguard T Retirement 2035 | \$ 6,774,986 | \$ 5,878,663 | \$ 7,162,886 | \$ 7,881,667 | \$ 9,007,605 | 0.7% |
| Vanguard T Retirement 2045 | \$ 6,998,461 | \$ 5,721,227 | \$ 7,038,803 | \$ 7,584,754 | \$ 8,668,277 | 0.7% |
| Vanguard T Retirement Income | \$ 2,337,279 | \$ 2,306,886 | \$ 2,264,299 | \$ 2,579,709 | \$ 2,635,274 | 0.2% |
| Vanguard Trgt Retire 2020 | \$ 6,009,860 | \$ 5,579,000 | \$ 6,254,665 | \$ 6,633,850 | \$ 6,678,813 | 0.5% |
| Vanguard Trgt Retire 2030 | \$ 5,138,024 | \$ 4,597,307 | \$ 4,955,615 | \$ 5,515,084 | \$ 6,421,915 | 0.5% |
| Vanguard Trgt Retire 2040 | \$ 4,220,407 | \$ 3,595,901 | \$ 4,422,949 | \$ 4,812,303 | \$ 5,881,926 | 0.5% |
| Vanguard Trgt Retire 2050 | \$ 8,065,124 | \$ 6,800,562 | \$ 8,613,467 | \$ 9,389,560 | \$ 10,892,825 | 0.9% |
| Vanguard Trgt Retire 2055 | \$ 10,056,527 | \$ 8,485,405 | \$ 10,826,635 | \$ 12,242,794 | \$ 14,588,183 | 1.2% |
| Vanguard Trgt Retire 2060 | \$ 565,399 | \$ 581,015 | \$ 896,948 | \$ 1,152,126 | \$ 1,554,656 | 0.1% |
| Vanguard Trgt Retire 2065 | \$ 223,352 | \$ 203,801 | \$ 254,441 | \$ 352,462 | \$ 470,889 | 0.0% |
| Asset Allocation Funds | \$ 301,458,478 | \$ 249,180,528 | \$ 290,954,271 | \$ 305,077,656 | \$ 344,862,782 | 27.6% |
| 457 Options Total | \$ 1,079,872,485 | \$ 939,408,860 | \$ 1,066,212,134 | \$ 1,127,284,481 | \$ 1,248,667,725 | 99.9% |
| Annuity | \$ 1,016,434 | \$ 921,901 | \$ 958,978 | \$ 968,296 | \$ 970,752 | 0.1% |
| Total 457 Options and Annuity | \$ 1,080,888,919 | \$ 940,330,761 | \$ 1,067,171,112 | \$ 1,128,252,777 | \$ 1,249,638,477 | 100.0% |
| Concluded | | | | | | |

**Part Time Employee (PTC) Plan
Statement of Changes in Assets
Fiscal Year 2020 - 2021**

| | 1st Quarter (Jul-Sep) | 2nd Quarter (Oct-Dec) | Fiscal Year to Date | Change from 1st QTR FY21 to 2nd QTR FY21 Increase (Decrease) |
|-------------------------------|--------------------------|--------------------------|------------------------|--|
| Beginning Balance | \$ 25,767,909 | \$ 26,120,242 | \$ 25,767,909 | \$ 352,333 |
| Add: | | | | |
| Payroll Contributions | 579,595 | 625,363 | 1,204,958 | 45,768 |
| Misc. Contributions | 4,722 | 4,777 | 9,499 | 55 |
| Loan Payments Received | - | 167 | 167 | 167 |
| Deduct: | | | | |
| Loan Issued | (19,529) | - | (19,529) | 19,529 |
| Withdrawals | (351,831) | (384,447) | (736,278) | (32,616) |
| Administrative Fees | (8,471) | (8,596) | (17,066) | (125) |
| Earnings (Loss): | | | | |
| PTC Investments | 147,847 | 141,246 | 289,093 | (6,601) |
| Loan Interest | - | 386 | 386 | 386 |
| Ending Balance | <u>\$ 26,120,242</u> | <u>\$ 26,499,138</u> | <u>\$ 26,499,138</u> | <u>\$ 378,896</u> |

Deferred Compensation Program
Source and Use of Administrative Reimbursement Funds
Fiscal Year 2020 - 2021

| | 1st Quarter (Jul-Sep) | 2nd Quarter (Oct - Dec) | Total Fiscal Year | Projected Annual Budget | % of Budget |
|---|--------------------------|----------------------------|----------------------|----------------------------|-------------|
| Surplus - Beginning | \$ 248,960 | \$ 358,913 | \$ 248,960 | | |
| Adjustment | \$ - | \$ - | \$ - | | |
| Surplus - Beginning, Adjusted | \$ 248,960 | \$ 358,913 | \$ 248,960 | | |
| Surplus - Beginning | \$ 248,960 | \$ 358,913 | \$ 248,960 | | |
| Revenues | | | | | |
| VOYA - Cost Reimbursement | \$ 198,206 | \$ 202,975 | \$ 401,181 | \$ 383,444 | 104.6% |
| Interest Earnings | \$ - | \$ 2,220 | \$ 2,220 | \$ 4,000 | 55.5% |
| Total Revenues | <u>\$ 198,206</u> | <u>\$ 205,195</u> | <u>\$ 403,401</u> | <u>\$ 387,444</u> | 104.1% |
| Expenditures | | | | | |
| Personnel | \$ 54,273 | \$ 57,368 | \$ 111,640 | \$ 312,834 | 35.7% |
| Non-Personnel | \$ 33,980 | \$ 16,573 | \$ 50,553 | \$ 109,423 | 46.2% |
| Total Budgeted Expenditures | <u>\$ 88,253</u> | <u>\$ 73,941</u> | <u>\$ 162,193</u> | <u>\$ 422,257</u> | 38.4% |
| Refund to all plans participants | \$ - | \$ - | \$ - | | |
| Total Expenditures | <u>\$ 88,253</u> | <u>\$ 73,941</u> | <u>\$ 162,193</u> | | |
| Surplus - Net Change | <u>\$ 109,953</u> | <u>\$ 131,254</u> | <u>\$ 241,207</u> | | |
| Ending Surplus - Reserved | \$ 180,564 | \$ 180,564 | \$ 180,564 | | |
| Ending Surplus - Unreserved | \$ 178,349 | \$ 309,604 | \$ 309,604 | | |
| Ending Surplus - Total | <u>\$ 358,913</u> | <u>\$ 490,168</u> | <u>\$ 490,168</u> | | |