



DEFERRED COMPENSATION ADVISORY COMMITTEE REGULAR MEETING

For information about this meeting, contact the Human Resources Department; by phone (408) 535-1285 or email HRbenefits@sanjoseca.gov.

Julia Cooper called the meeting of the Deferred Compensation Advisory Committee to order at 9:04 a.m. on Monday, June 21, 2021, Teleconferenced via Zoom Meeting.

Roll Call:

Julia Cooper, Chair	City Manager's Representative
Lee Wilcox	City Manager's Representative
Roberto Peña, Vice Chair	Management Employees' Representative
Jason Santos	Employees' Representative
David Woolsey	Police Representative
Jaime Fonseca	Employees' Representative

Also Present:

Jennifer Schembri	Human Resources
Amy Morton	Human Resources
Melissa Lopez	Human Resources
Eric Lemon	Finance
Vincent Galindo	Hyas Group
Bishop Bastien	Voya
Nancy Agaiby	Voya
Peter Ng	Voya
Suzanne Hutchins	City Attorney

Absent:

Jamal Fountaine	Firefighter Representative
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ANNOUNCEMENTS

APPROVAL OF MINUTES

1. [March 15, 2021](#)
2. [May 3, 2021](#)

***M.S.C.** (Julia Cooper/Jason Santos) approved the minutes for the Deferred Compensation Advisory Committee Meetings on March 15, 2021 and May 3, 2021 and directed staff to correct a misspelling on page three of March 15th minutes prior to finalizing.

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NOTE: If you have any questions or concerns, please call Human Resources at (408) 535-1285.

200 East Santa Clara Street San José, CA 95113 fax (408) 999-0862 www.sanjoseca.gov



CONSENT CALENDAR

1. Accept report on YTD [Fund Performance Summary](#)
2. Accept Voya Quarterly [Activity Report](#) for 1st Quarter 2021

***M.S.C.** (Roberto Peña/Lee Wilcox) accepted the consent items and no item was pulled for discussion.

INFORMATIONAL ITEMS

3. Staff Update—Amy Morton, Human Resources, informed the committee that fund changes are moving forward and letters have gone out to participants. Reminders went to the committee that informational items have grown and action items have reduced according to Muni code changes. HR leadership had asked Amy to look at demographics on participant reports and work with IT to add more data. Discussion on whether there is a preference for virtual meetings or in-person meetings. Amy Morton gives update that VOYA is giving a rate decrease as a good gesture and thanking the City for their business, effective July 1, 2021.
4. Stable Value Renewal Rate —Amy Morton, Human Resources, informed the committee that the rate has increased from 1.81% to 1.85% for the period July 1 through September 30, 2021.
5. Review [NAGDCA Annual Conference](#) memo— Amy Morton, Human Resources, informed the committee that NADCA has announced that they are virtual this year from September 13-16, 2021. Julia Cooper asks if Suzanne Hutchins is counted in the total, Suzanne Hutchins informs the committee she would like to attend if budget allows. Committee agrees there is room in budget to accommodate attendance. Staff to send registration info to committee.
6. Update on [City's Fiduciary Liability Insurance](#) for the period June 30, 2021 to June 30, 2022—Miguel Bernal, Finance Department, provided a verbal report discussing current policy and whether there's a need to purchase excess liability insurance. He informed the committee that Finance recommends renewing policy of \$5 Million but not to purchase excess liability because of the high cost.
7. Update on the Deferred Compensation Plans [Third Quarter Financials](#) for FY 2020-21—Eric Lemon, Finance Department. Eric reported on the Third Quarter Financials for FY 2020-21.
8. Update on Regulatory and/or Legislative Items, including economic and market forecast — Vincent Galindo, Hyas Group reported to the committee about Secure Act 2.0 passing and that new regulations are coming including a striking of the 1st of the month IRS rule. Vincent alerts that this will likely not be implemented for 2021.
9. Update on the Deferred Compensation Plans [Revenue Reimbursement Report](#) for the period January 2021 to May 2021—Bishop Bastien, Voya, reported on Revenue Reimbursement Report and also reiterated the fee reduction due to a good business relationship.
10. Verbal update on [Voya's participant website updates](#)—Bishop Bastien, Voya, presented changes to website in an effort to create better user experience and including alternative language options for participants.
11. Verbal update on GASB changes applicable to plan reporting commencing July 1, 2021
 - a. [Summary of Statement No. 97](#): Certain component unit criteria, and accounting and financial reporting for Internal Revenue Code Section 457 Deferred

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Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

—Eric Lemon, Finance Department reported out on the change and Julia Cooper confirmed the plan assets would not be treated as assets of the City, remaining an asset to the participants only.

12. Review of the Plans' [Stable Value Fund \(SVF\)](#) to ensure appropriate Market-to-Book ratio and evaluate appropriate risk within the SVF portfolio. —Bishop Bastien, Tony Camp, and Sean of VOYA, presented the report.

DISCUSSION/ACTION ITEMS

13. Review and advise on [amended Reserve Policy](#) per Fiduciary Insurance Class Action Lawsuit Retention Fee— Staff

The committee looked at reserve policy that is set at a 25K deductible. There was a proposal to increase reserve, adding a 75K based off a 100K deductible vs 25K. Emily Hendon noted that this does not require a motion and no vote is needed, this ensures that 100K is set aside.

14. Review and accept [Investment Performance Evaluation Report](#) and Watch List for Period ending March 31, 2021 — Vincent Galindo, Hyas Group

***M.S.C.** (Lee Wilcox/Jason Santos) accepted the report and recommended changes to the Watch List

NEXT MEETING

Next Committee Meeting, Monday, September 20, 2021, Via Zoom, 9:00 a.m.

OPEN FORUM/PUBLIC COMMENT

Julia requested that Staff add an open discussion/agenda item to have committee members share at next meeting how NAGDCA went.

The meeting was adjourned at 10:56 a.m.

Julia Cooper, Chair
Deferred Compensation Advisory Committee

