



Memorandum

TO: DEFERRED COMPENSATION
ADVISORY COMMITTEE

FROM: Eric Lemon
Finance Department

SUBJECT: SEE BELOW

DATE: November 30, 2021

Approved *Rick Bruneau*

Date 11/30/2021

**SUBJECT: PLAN REPORT – FIRST QUARTER ACTIVITY FOR FISCAL YEAR
2021-2022**

RECOMMENDATION

Approve the Deferred Compensation Plan Report for the first quarter of Fiscal Year 2021-2022.

OUTCOME

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

BACKGROUND

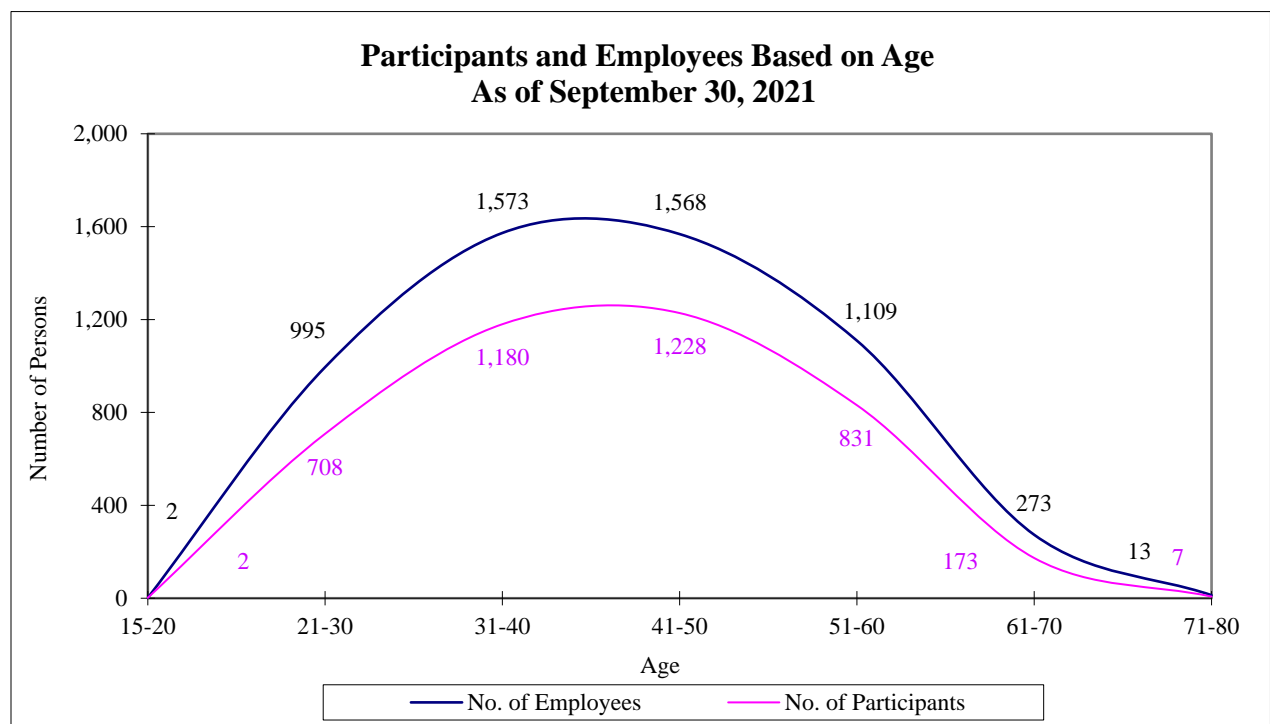
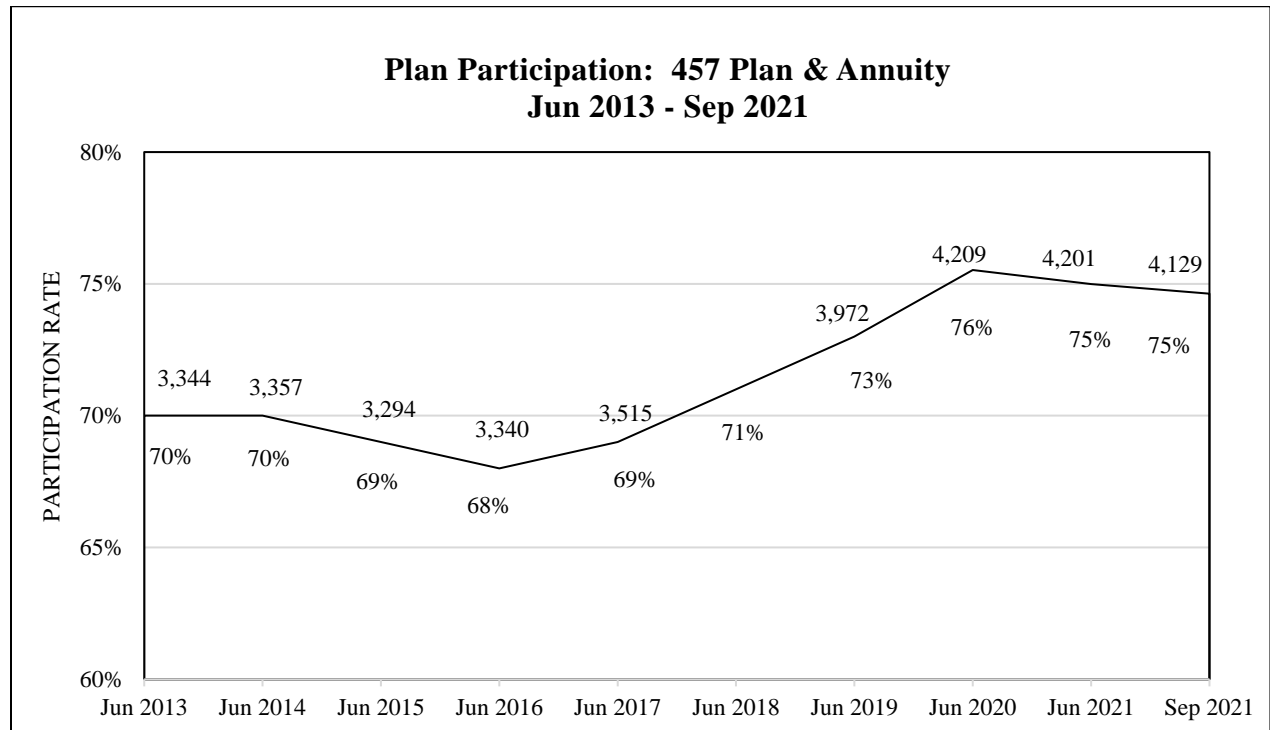
Each quarter, the Finance Department presents the following information to the DCAC: employee participation in the Plan; financial data regarding the Plan assets held by VOYA Financial, Inc. (“Plan Provider”); and financial activities pertaining to the administrative fund.

ANALYSIS

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

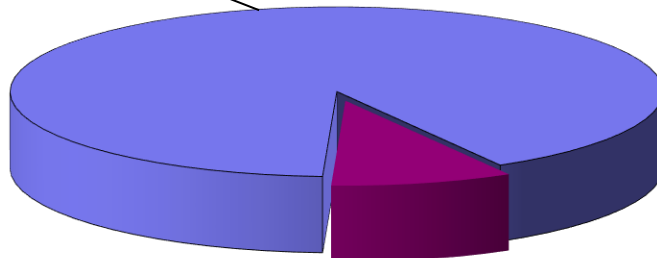
Employee Plan Participation - At September 30, 2021, the City’s Plan had a total of 4,129 full-time and 150 part-time voluntary plan participants. The total number of contributing participants represents 74.6 percent of eligible full-time employees and 7.6 percent of part-time employees (Exhibits B and D). Of the total number of contributing full-time participants, 91.0 percent are male for public safety employees, and 52.7 percent are male for miscellaneous (Non-Public Safety) employees. The majority of full-time employee participants at 29.7 percent are within 41 to 50 age

range (Exhibit L). These numbers are consistent with those reported for the fourth quarter ended June 30, 2021.



**Full-time Employees Participation by Gender
for Public Safety Employees
as of September 30, 2021**

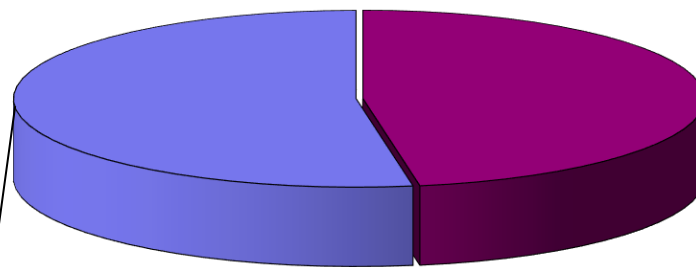
Male, 1,431 , 91.0%
(Public Safety Male Employees,
1,608 , 91.2%)



Female, 142 , 9.0%
(Public Safety Female Employees,
156 , 8.8%)

**Full-time Employees Participation by Gender
for Miscellaneous Employees
as of September 30, 2021**

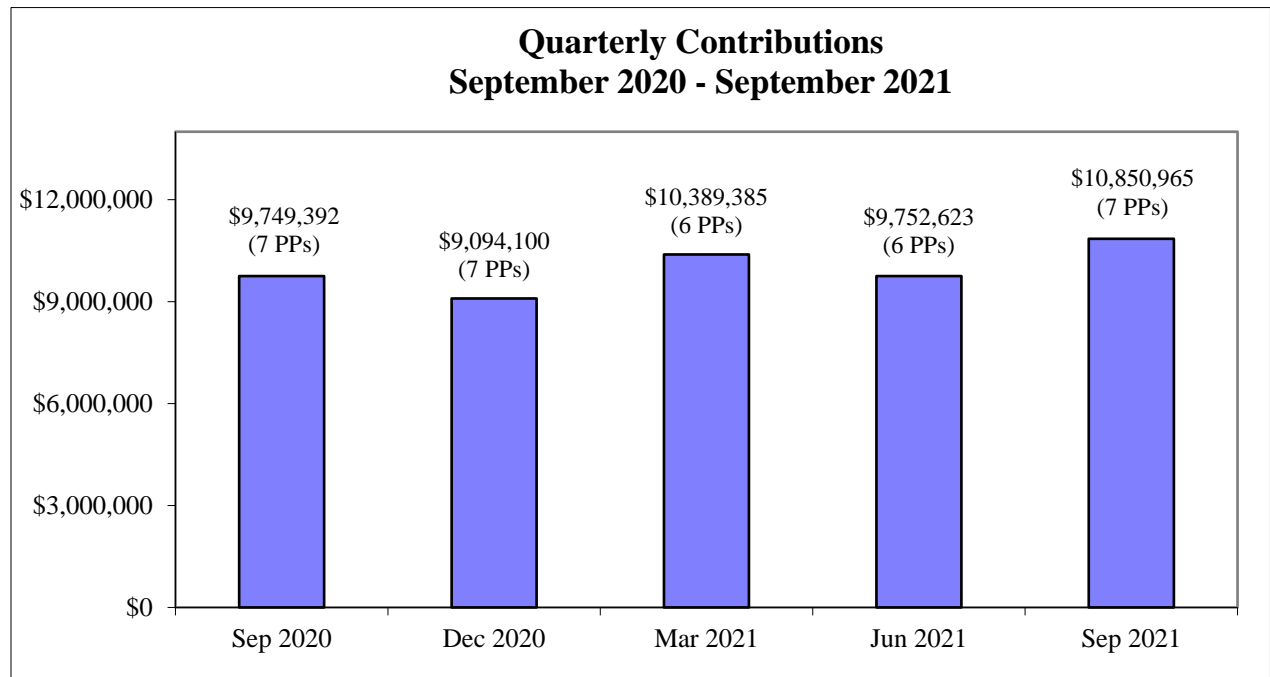
Male, 1,346 , 52.7%
(Misc. Male Employees,
2,066 , 54.8%)



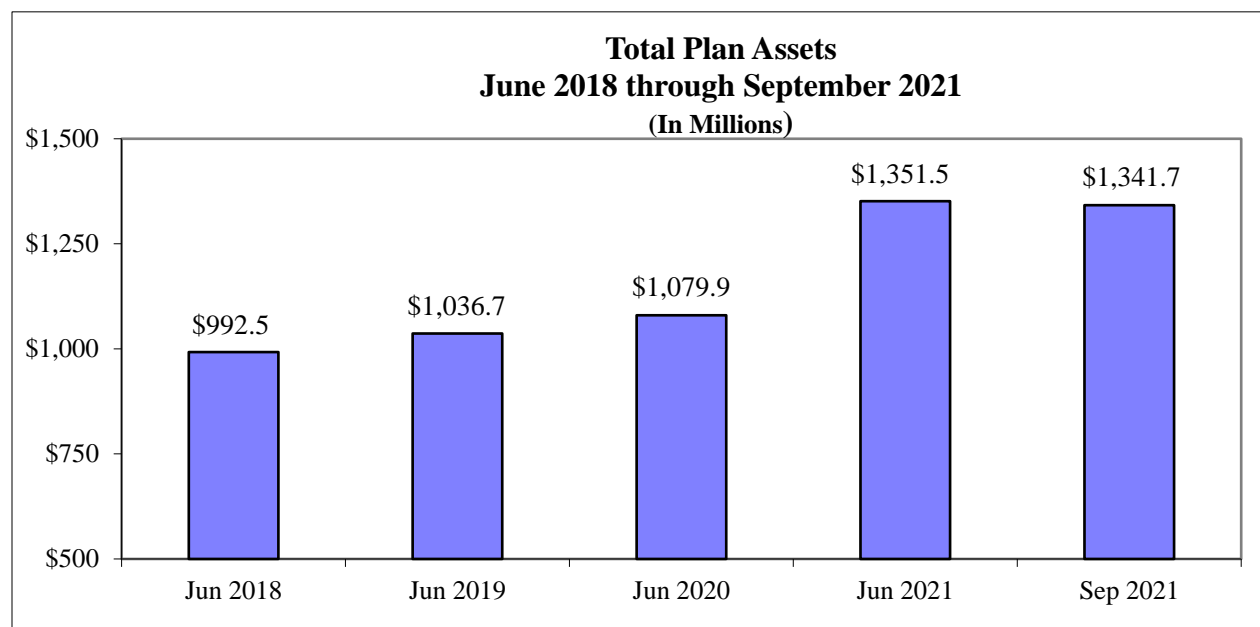
Female, 1,210 , 47.3%
(Misc. Female Employees,
1,703 , 45.2%)

Contribution – Total contributions through salary deductions increased during the quarter ended September 30, 2021 by \$1.1 million (11.3 percent) to \$10.9 million when compared to the amounts reported for the quarter ended June 30, 2021. The increase was primarily due to seven (7) pay periods as compared to six (6) pay periods from the previous quarter.

The average employee contribution for the quarter ended September 30, 2021 was \$2,536, an increase of \$294 (13.1 percent) as compared to the average employee contribution in the fourth quarter of last Fiscal Year (Exhibit E).

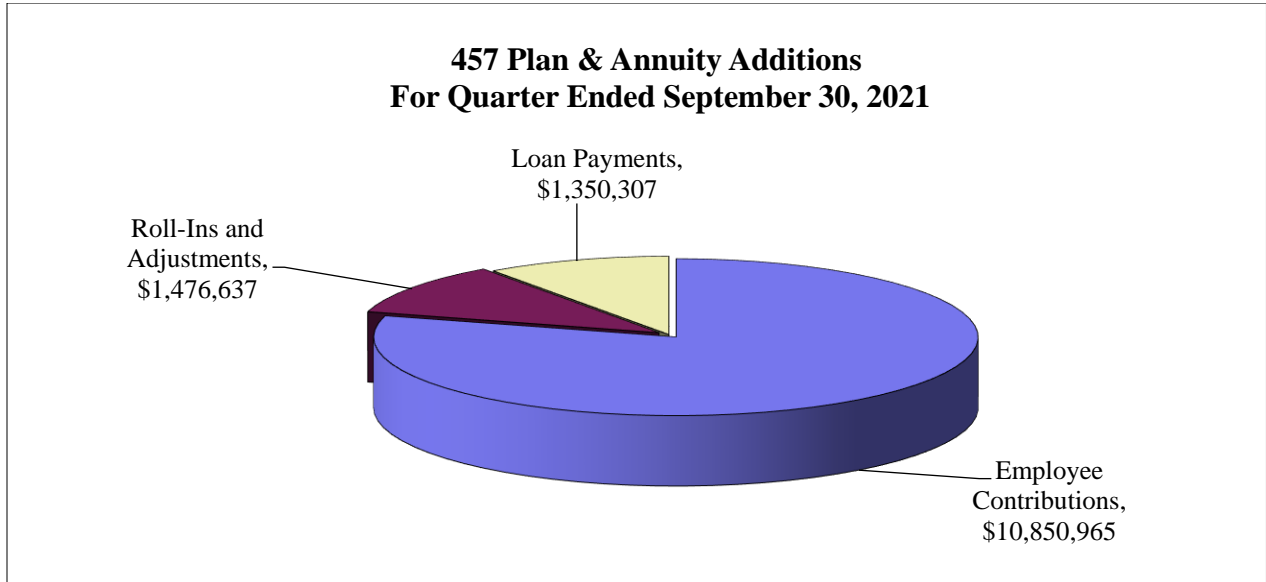


II. Plan Assets - Total plan assets decreased by \$9.8 million, from \$1.3515 billion at June 30, 2021 to \$1.3417 billion at September 30, 2021. The balance at September 30, 2021 consisted of \$1.3294 billion in the 457 Plan, \$1.0 million in Annuity and \$11.3 million in loans outstanding. Details are provided in Exhibit G.

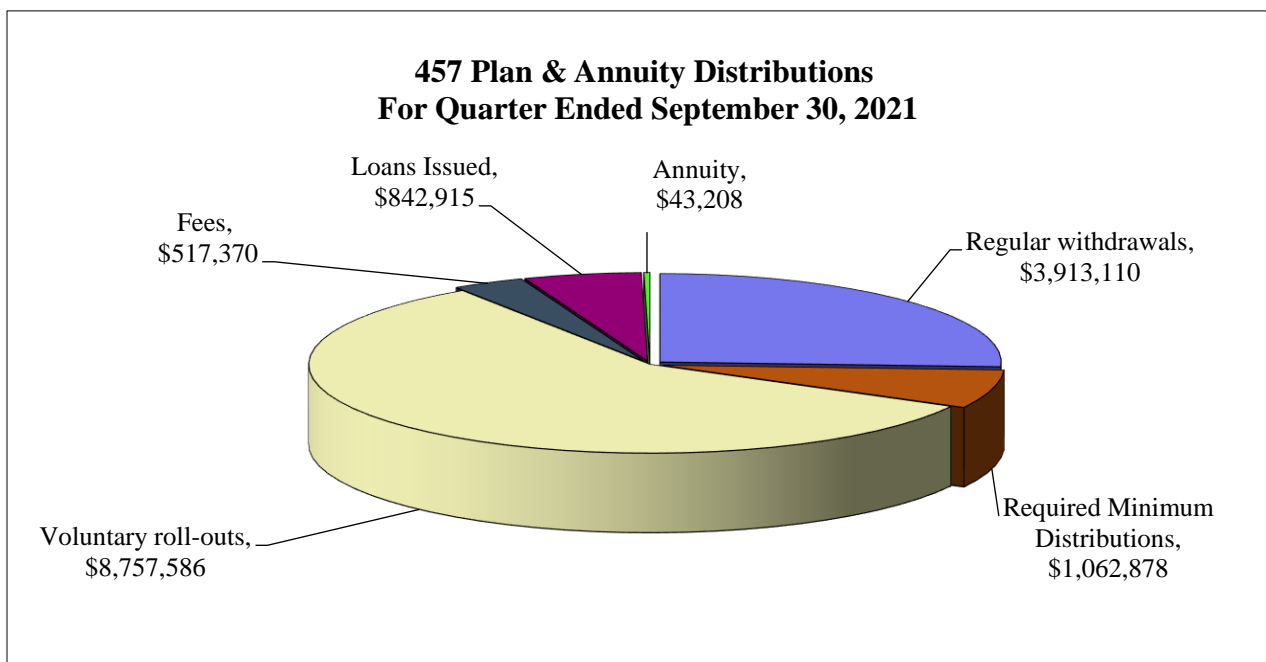


| Asset Balance Comparison | | | | | |
|---|----------|------------|------------|------------|------------|
| June 2018 through September 2021 | | | | | |
| (In Millions) | | | | | |
| Plan | Jun 2018 | Jun 2019 | Jun 2020 | Jun 2021 | Sep 2021 |
| 457 | \$ 978.5 | \$ 1,023.0 | \$ 1,066.2 | \$ 1,338.6 | \$ 1,329.4 |
| Annuity | \$ 1.1 | \$ 1.0 | \$ 1.0 | \$ 1.0 | \$ 1.0 |
| Loans | \$ 12.9 | \$ 12.7 | \$ 12.7 | \$ 11.9 | \$ 11.3 |
| Total | \$ 992.5 | \$ 1,036.7 | \$ 1,079.9 | \$ 1,351.5 | \$ 1,341.7 |

Additions - For the quarter ended September 30, 2021, additions were comprised of employee contributions of \$10.9 million (79.3 percent), loan payments of \$1.3 million (9.9 percent), and roll-ins and adjustments of \$1.5 million (10.8 percent).



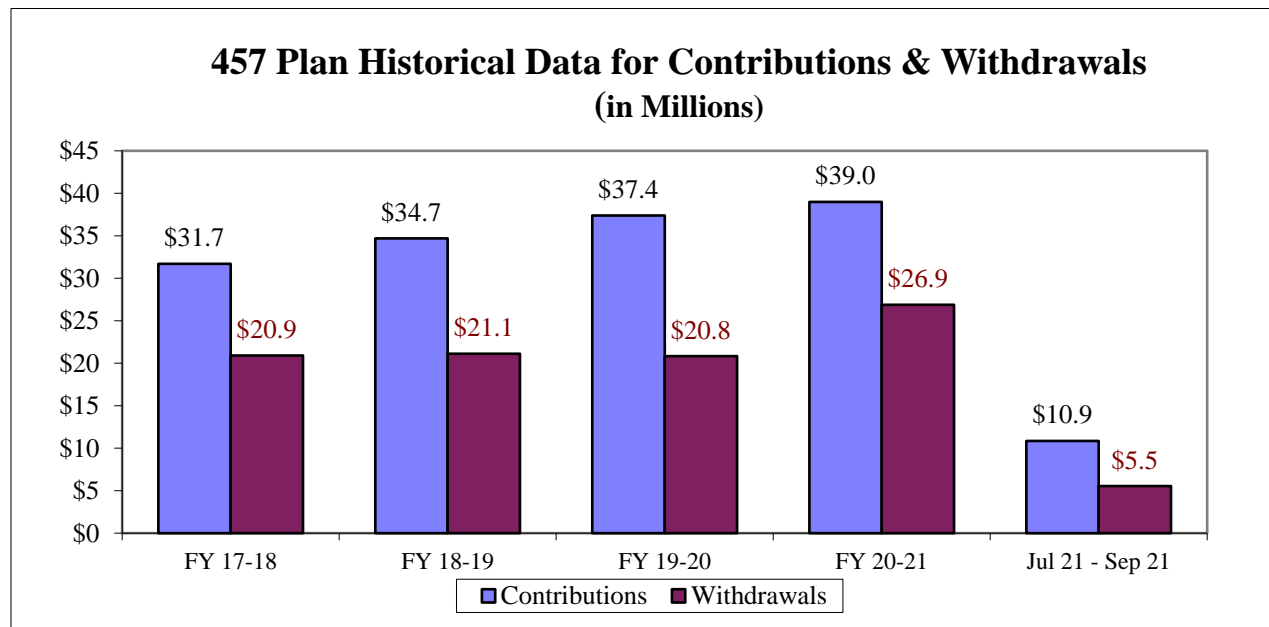
Distributions – During the quarter ended September 30, 2021, total distributions of \$15.1 million were the result of \$3.9 million (25.8 percent) of regular withdrawals, \$1.1 million (7.0 percent) of required minimum distribution, \$8.8 million (57.9 percent) roll-outs to other financial institutions, loans issued of \$0.8million (5.6 percent), and annuity/fees of \$0.5 million (3.7 percent).



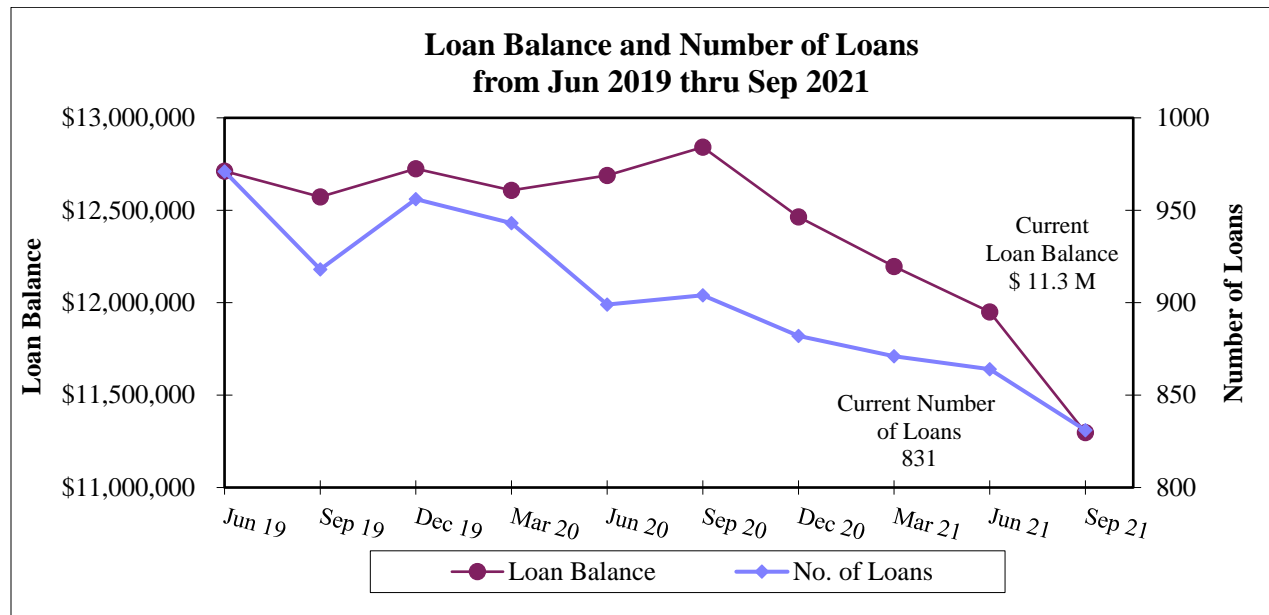
Investments Earnings/(Losses) - Total investment losses (457 investments and loan interest) were \$7.7 million for the current quarter. The decrease was primarily due to unfavorable market conditions in the first quarter of Fiscal Year 2021-2022. Please see Exhibit I for details. The table below shows historical data of earnings of the 457 Plan for the last five years.

| 457 Plan & Annuity Historical Data - Earnings | | |
|--|----|-------------|
| FY 2017 - 2018 | \$ | 95,158,943 |
| FY 2018 - 2019 | \$ | 53,725,656 |
| FY 2019 - 2020 | \$ | 45,659,075 |
| FY 2020 - 2021 | \$ | 289,455,361 |
| Jul 2021 - Sep 2021 | \$ | (7,665,975) |

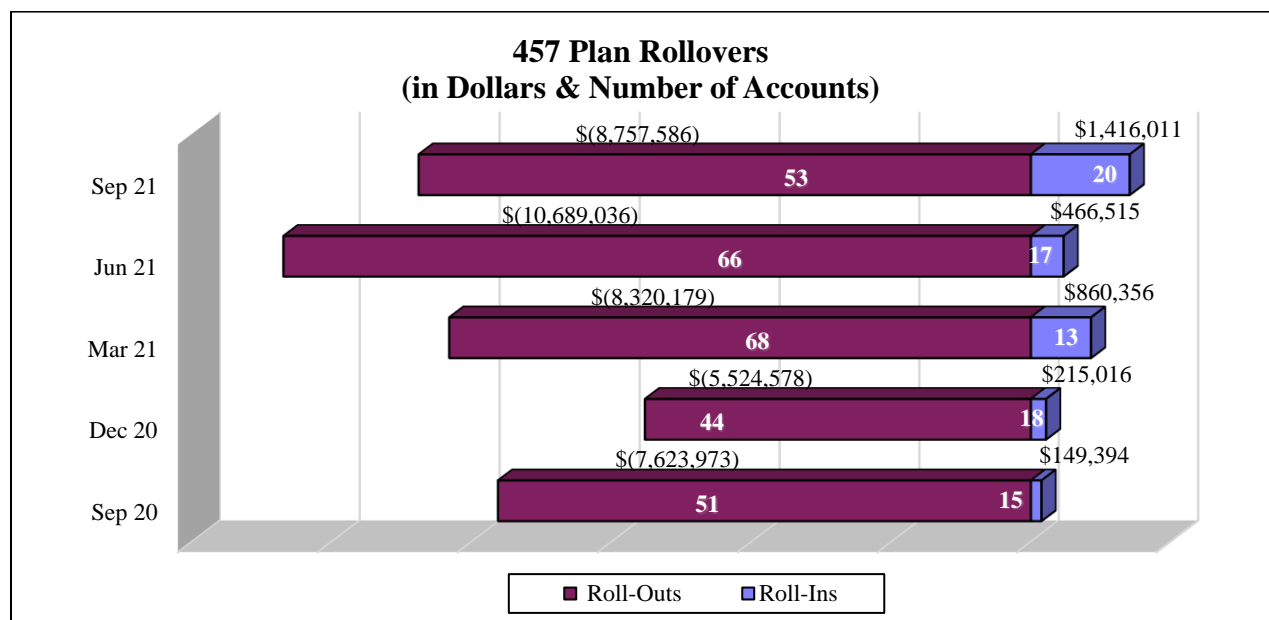
The following chart shows 457 Plan Historical Data for contributions & withdrawals over the last five years. For the first quarter of Fiscal Year 2021-2022, contributions and withdrawals (including annuity) were \$10.9 million and \$5.5 million respectively (Exhibit I).



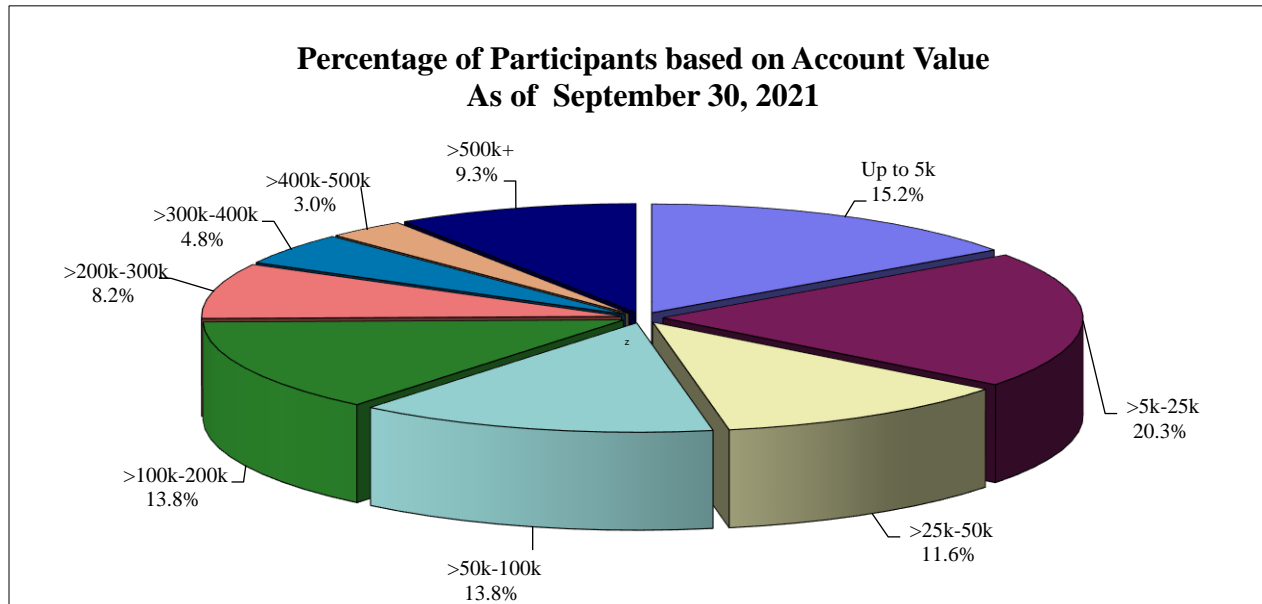
Loan Program – The City’s loan program is available to all active employees who participate in the Plan. The loans have a repayment period of up to 20 years, depending on the purpose of the loan. As of September 30, 2021, there were 831 loans outstanding totaling \$11.3 million. The balance represents 0.8 percent of total plan assets. More information on the loan program is provided in Exhibit J.



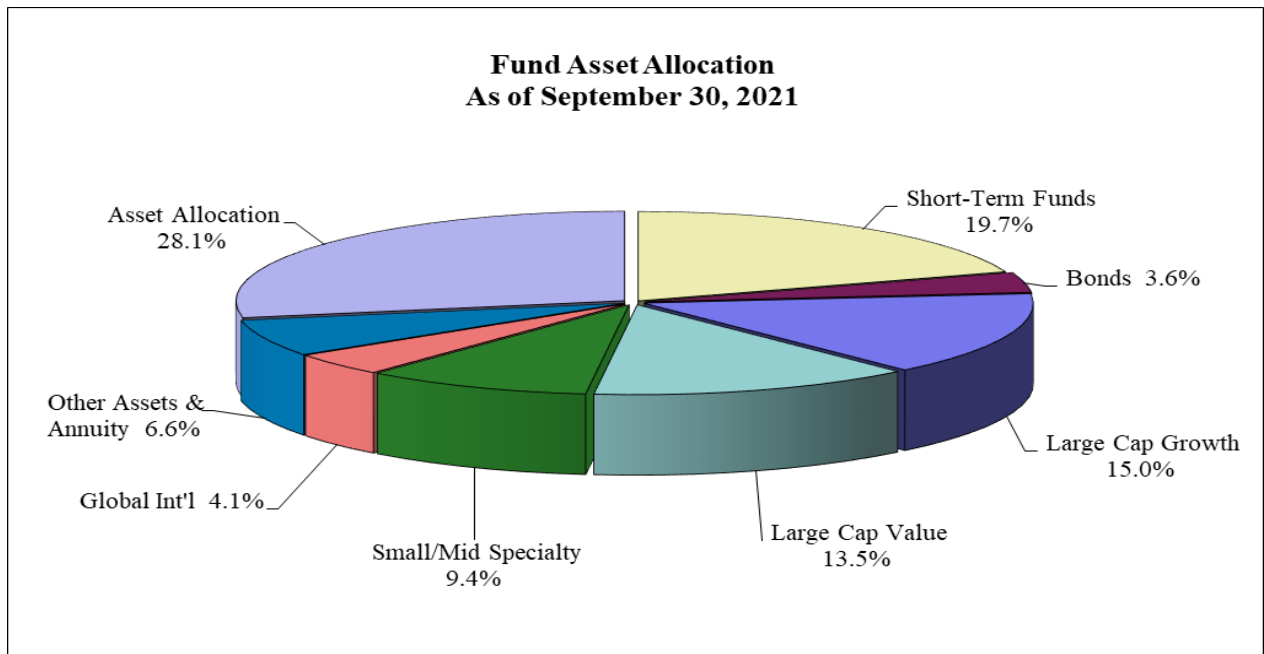
Roll-overs – For the quarter ended September 30, 2021, 20 accounts totaling \$1.4 million rolled into the 457 Plan, an increase of 3 accounts when compared to roll-ins in the previous quarter. For the current quarter, 53 accounts rolled out of the 457 Plan, a decrease of 13 accounts when compared to roll-outs in the previous quarter. The total value of accounts rolled out during the quarter was \$8.8 million, a decrease of \$1.9 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 September 30, 2021, 15.2 percent of the accounts had balances below \$5,000, 20.3 percent of the accounts had balances between \$5,001 and \$25,000, and 55.2 percent of the accounts had balances between \$25,001 and \$500,000 in the 457 and Annuity Plans. The remaining 9.3 percent had an account balance of over \$500,000.



Fund Class Changes and Asset Allocation – As of September 30, 2021, Large Cap Value Funds decreased by 1.8 percent and Small/Mid Specialty Funds increased by 1.5 percent compared to the prior quarter. Others remained largely stable with no asset class changing more than 1.0 percent. Below is a summary of the fund asset allocation.



III. Administrative Source and Use of Funds – As of September 30, 2021, actual revenues were under quarterly budget at 17.3 percent due to lower than expected cost reimbursements from the Plan Provider resulting from unfavorable investment returns. Total budgeted expenditures were over quarterly budget at 28.3 percent due to the payment of the fiduciary insurance in July.

**Deferred Compensation Program
Source and Use of Administrative Reimbursement Funds
Fiscal Year 2021 -2022**

| | 1st Quarter (Jul-Sep) | Total Fiscal Year | Projected Annual Budget | % of Budget |
|--|--------------------------|----------------------|----------------------------|-------------|
| Surplus - Beginning | \$ 361,335 | \$ 361,335 | | |
| Adjustment | - | - | | |
| Surplus - Beginning, Adjusted | 361,335 | 361,335 | | |
| Surplus - Beginning | 361,335 | 361,335 | | |
| Revenues | | | | |
| VOYA - Cost Reimb | 141,907 | 141,907 | 800,000 | 17.7% |
| Interest Earnings | (2,962) | (2,962) | 4,000 | -74.1% |
| Total Revenues | <u>138,945</u> | <u>138,945</u> | <u>804,000</u> | 17.3% |
| Expenditures | | | | |
| Personnel | 74,631 | 74,631 | 348,092 | 21.4% |
| Non-Personnel | 56,141 | 56,141 | 114,034 | 49.2% |
| Total Budgeted Expenditures | <u>130,772</u> | <u>130,772</u> | <u>462,126</u> | 28.3% |
| Refund to All Plan Participants | - | - | | |
| Total Expenditures | <u>130,772</u> | <u>130,772</u> | | |
| Surplus - Net Change | <u>8,173</u> | <u>8,173</u> | | |
| Ending Surplus - Reserved | 190,531 | 190,531 | | |
| Ending Surplus - Unreserved | 178,977 | 178,977 | | |
| Ending Surplus - Total | <u>\$ 369,508</u> | <u>\$ 369,508</u> | | |

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

WSP

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 September 30, 2021**

| Employees | Female | Male | Total |
|-----------------------------|---------------|--------------|--------------|
| Program Participants | 1,352 | 2,777 | 4,129 |
| Non-Participants | 507 | 897 | 1,404 |
| Totals | 1,859 | 3,674 | 5,533 |

**Deferred Compensation Program - 457 Plan & Annuity
Full -Time Employees Participation By Department
as of September 30, 2021**

| | Number of Employees | Number of Plan Participants | Percentage of Participation |
|---------------------------------------|------------------------|--------------------------------|--------------------------------|
| Airport | 196 | 133 | 67.86% |
| City Attorney | 77 | 53 | 68.83% |
| City Auditor | 13 | 9 | 69.23% |
| City Clerk | 15 | 15 | 100.00% |
| City Council & Mayor | 89 | 25 | 28.09% |
| City Manager | 70 | 48 | 68.57% |
| Community Energy | 26 | 12 | 46.15% |
| Environmental Services | 481 | 323 | 67.15% |
| Finance | 110 | 76 | 69.09% |
| Fire | 779 | 687 | 88.19% |
| Housing | 75 | 46 | 61.33% |
| Human Resources | 41 | 29 | 70.73% |
| Independent Police Auditor | 6 | 4 | 66.67% |
| Information Technology | 86 | 60 | 69.77% |
| Library | 220 | 151 | 68.64% |
| Office of Economic Development | 49 | 34 | 69.39% |
| Parks, Recreation & Neighborhood Svcs | 383 | 222 | 57.96% |
| Planning, Bldg. & Code Enforcement | 247 | 153 | 61.94% |
| Police | 1,602 | 1,359 | 84.83% |
| Public Works/General Services | 490 | 358 | 73.06% |
| Retirement Services | 35 | 30 | 85.71% |
| Transportation | 443 | 302 | 68.17% |
| Totals, September 30, 2021 | 5,533 | 4,129 | 74.62% |
| Totals, June 30, 2021 | 5,602 | 4,201 | 74.99% |
| Totals, March 31, 2021 | 5,552 | 4,180 | 75.29% |
| 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% |

**Deferred Compensation Program - 457 Plan & Annuity
Full -Time Employee Participation By Bargaining Unit
as of September 30, 2021**

| Bargaining Unit | Description | Number of Employees in Bargaining Unit | Participants by Bargaining Unit | Percentage of Participation |
|------------------------|---|---|--|--|
| 11,12,14 | Police, POA | 1,127 | 1,004 | 89.1% |
| 21,22 | Firefighters, IAFF | 666 | 596 | 89.5% |
| 31 | Building Inspectors, ABMEI | 73 | 37 | 50.7% |
| 41-43 | Management/Professional Management, AEA | 290 | 212 | 73.1% |
| 51,52 | General Misc/General Supervision, MEF | 1,715 | 1,168 | 68.1% |
| 61 | P.W. & Maintenance, OE3 | 620 | 397 | 64.0% |
| 71 | Electrical, IBEW | 57 | 42 | 73.7% |
| 83 | Mayor & Council Members | 11 | 3 | 27.3% |
| 111 | Supervisors, AMSP | 103 | 73 | 70.9% |
| 121 | Park Rangers, POPRA | 11 | 7 | 63.6% |
| 211 | Represented Management, CAMP | 437 | 308 | 70.5% |
| 311 | Legal, ALP | 41 | 31 | 75.6% |
| 991 | Unit 99 Other | 166 | 117 | 70.5% |
| 992 | Senior Staff | 27 | 19 | 70.4% |
| 996 | City Council Staff | 72 | 19 | 26.4% |
| 997 | Executive Staff | 90 | 76 | 84.4% |
| 998 | Council Appointee Other | 22 | 15 | 68.2% |
| 999 | Council Appointees | 5 | 5 | 100.0% |
| | Totals | 5,533 | 4,129 | 74.6% |

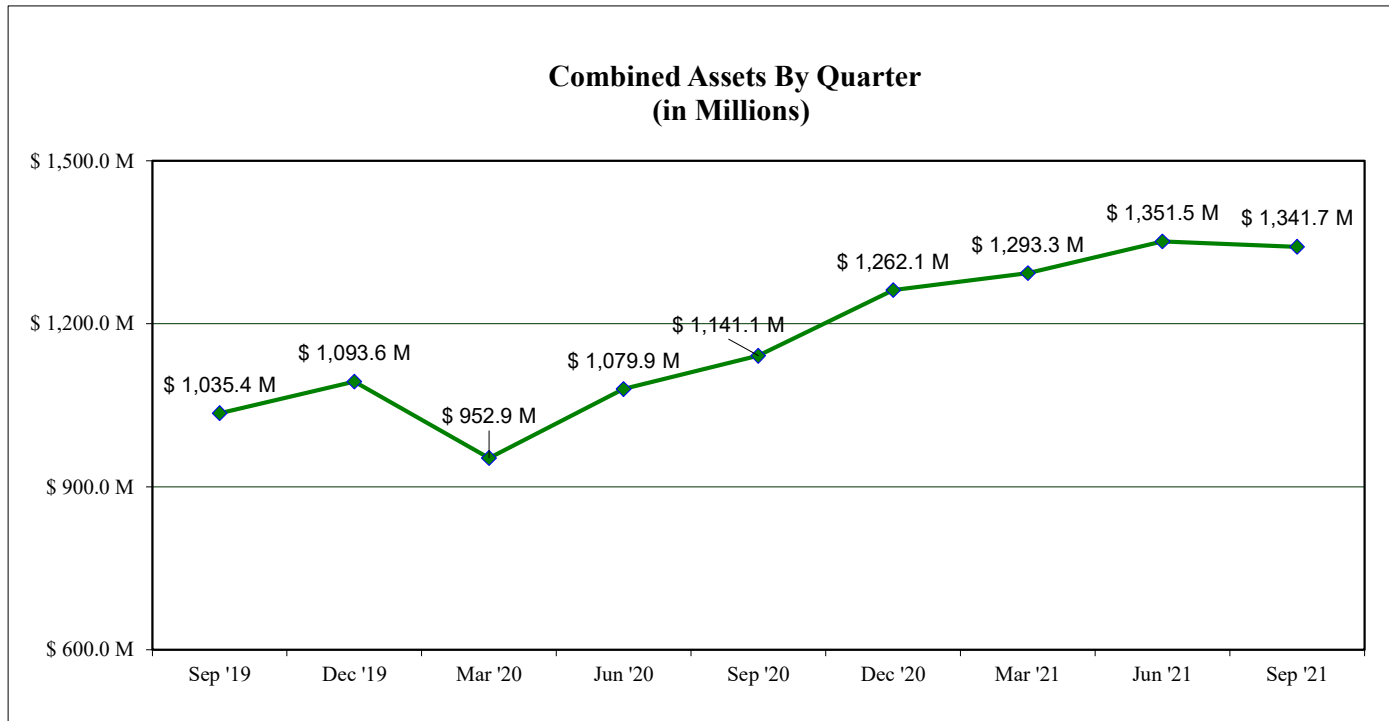
**Deferred Compensation Program - 457 Plan & Annuity
Part - Time Employees Participation to the 457 Plan
as of September 30, 2021**

| | Part -Time Employees | Number of Participants | Percentage of Participation |
|--|-------------------------|---------------------------|--------------------------------|
| Airport | 2 | 0 | 0.00% |
| Attorney | 3 | 0 | 0.00% |
| Auditor | 1 | 0 | 0.00% |
| City Council & Mayor | 25 | 4 | 16.00% |
| City Manager | 10 | 1 | 10.00% |
| Community Energy | 2 | 0 | 0.00% |
| Environmental Services | 5 | 0 | 0.00% |
| Finance | 5 | 0 | 0.00% |
| Fire | 6 | 0 | 0.00% |
| Housing | 26 | 1 | 3.85% |
| Human Resources | 72 | 3 | 4.17% |
| Information Technology | 9 | 0 | 0.00% |
| Library | 315 | 56 | 17.78% |
| Office of Economic Development | 6 | 3 | 50.00% |
| Parks, Recreation & Neighborhood Svcs | 1,082 | 56 | 5.18% |
| Planning, Bldg, & Code Enforcement | 13 | 1 | 7.69% |
| Police | 244 | 13 | 5.33% |
| Public Works/General Services | 111 | 9 | 8.11% |
| Retirement Services | 4 | 0 | 0.00% |
| Transportation | 36 | 3 | 8.33% |
| Part-time Employees, September 30, 2021 | 1,977 | 150 | 7.59% |
| Part-time Employees, June 30, 2021 | 2,036 | 148 | 7.27% |
| Part-time Employees, March 31, 2021 | 1,923 | 133 | 6.92% |
| 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% |

**Deferred Compensation Program - 457 Plan
Average Contribution
Fiscal Year 2021 - 2022**

| | FY21 4th Quarter (Apr-Jun) | FY22 1st Quarter (Jul-Sep) | Change from 4th Qtr FY21 to 1st Qtr FY22 Increase (Decrease) |
|--|---|---|---|
| 457 Plan | | | |
| Employee Contributions | \$ 9,752,623 | \$ 10,850,965 | \$ 1,098,342 |
| Number of Participants* | 4,349 | 4,279 | (70) |
| Average contribution per employee | \$ 2,242 | \$ 2,536 | \$ 294 |

* Combined Full-time (4129) and Part-time (150) employees with voluntary contribution



| QUARTER ENDED * | | |
|-----------------|-------------------|-------------------------------------|
| Quarter | Total Plan Assets | Percentage Change from Last Quarter |
| 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% |
| Mar '21 | \$ 1,293,274,933 | 2.47% |
| Jun '21 | \$ 1,351,497,533 | 4.50% |
| Sep '21 | \$ 1,341,719,645 | -0.72% |

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

**Deferred Compensation Program
Schedule of Combined Assets
By Fiscal Quarter
Fiscal Year 2021 - 2022**

| Assets | FY21 4th Quarter (Apr-Jun) | FY22 1st Quarter (Jul-Sep) | Change from 4th Qtr FY21 to 1st Qtr FY22 Increase (Decrease) |
|--------------------------|----------------------------------|----------------------------------|--|
| 457 Plan | \$ 1,338,552,348 | \$ 1,329,440,784 | \$ (9,111,564) |
| Annuity | 995,387 | 981,818 | (13,569) |
| Loans Receivable* | 11,949,798 | 11,297,043 | (652,755) |
| Ending Balance | \$ 1,351,497,533 | \$ 1,341,719,645 | \$ (9,777,888) |

* PTC Loans Receivable is excluded.

Deferred Compensation Program - 457 Plan & Annuity
Statement of Changes in Assets
Fiscal Year 2021 - 2022

| | FY21 4th Quarter (Apr-Jun) | FY22 1st Quarter (Jul-Sep) | Change from 4th Qtr FY21 to 1st Qtr FY22 Increase (Decrease) |
|------------------------------------|----------------------------------|----------------------------------|--|
| Beginning Balance | \$ 1,281,079,448 | \$ 1,339,547,735 | \$ 58,468,287 |
| Add: | | | |
| Payroll Contributions | 9,752,622 | 10,850,965 | 1,098,343 |
| Roll-Ins & Adjustments | 973,553 | 1,476,637 | 503,084 |
| Loan Payments Received | 1,087,591 | 1,350,307 | 262,716 |
| Deduct: | | | |
| Loans Issued | (952,405) | (842,915) | 109,490 |
| Withdrawals & Roll-outs | (16,234,880) | (13,776,782) | 2,458,098 |
| Administrative Fees | (659,859) | (517,370) | 142,489 |
| Earnings (Loss): | | | |
| 457 Investments | 64,397,249 | (7,779,335) | (72,176,584) |
| Loan Interest | 104,416 | 113,360 | 8,944 |
| Ending Balance | <u>\$ 1,339,547,735</u> | <u>\$ 1,330,422,602</u> | <u>\$ (9,125,133)</u> |

Deferred Compensation Program
Historical Data - 457 Plan & Annuity
Fiscal Year 2017-2018 through Fiscal Year 2021-2022

| | 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 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 | 10,389,385 | 1,064,340 | 1,180,060 | (1,106,772) | (7,389,593) | (195,562) | (8,320,179) | - | 35,623,730 |
| 4th Qtr | 9,752,622 | 973,553 | 1,087,591 | (952,405) | (6,205,703) | (110,501) | (10,689,036) | - | 64,501,665 |
| Total | \$ 38,985,499 | \$ 2,710,481 | \$ 4,722,721 | \$ (4,459,525) | \$ (26,880,148) | \$ (443,002) | \$ (32,157,766) | \$ - | \$ 289,455,361 |
| FY 2021-2022 | | | | | | | | | |
| 1st Qtr | \$ 10,850,965 | \$ 1,476,637 | \$ 1,350,307 | \$ (842,915) | \$ (5,536,566) | \$ (145,363) | \$ (8,757,586) | \$ - | \$ (7,665,975) |
| 2nd Qtr | - | - | - | - | - | - | - | - | - |
| 3rd Qtr | - | - | - | - | - | - | - | - | - |
| 4th Qtr | - | - | - | - | - | - | - | - | - |
| Total | \$ 10,850,965 | \$ 1,476,637 | \$ 1,350,307 | \$ (842,915) | \$ (5,536,566) | \$ (145,363) | \$ (8,757,586) | \$ - | \$ (7,665,975) |

Deferred Compensation Program - Loans Receivable
Statement of Changes in Assets
Fiscal Year 2021 - 2022

| | FY21 4th Quarter (Apr-Jun) | FY22 1st Quarter (Jul-Sep) | Change from 4th Qtr FY21 to 1st Qtr FY22 Increase (Decrease) |
|-------------------------------|----------------------------------|----------------------------------|--|
| Beginning Balance | \$ 12,195,485 | \$ 11,949,798 | \$ (245,687) |
| Loans Issued* | 952,405 | 842,915 | (109,490) |
| Loan Repayments | (1,087,591) | (1,350,307) | (262,716) |
| Loans Deemed Withdrawn | (110,501) | (145,363) | (34,862) |
| Ending Balance | <u>\$ 11,949,798</u> | <u>\$ 11,297,043</u> | <u>\$ (652,755)</u> |

* PTC Loans Receivable is excluded.

**Deferred Compensation Program - 457 Plan
Transfer Activity
For Quarter Ended September 30, 2021**

| Month | Roll-ins* | Number of Accounts Rolled-in | Roll-outs** | Number of Accounts Rolled-out |
|------------------|---------------------|---------------------------------|---------------------|----------------------------------|
| July | \$ 97,755 | 5 | \$ 4,438,302 | 17 |
| August | \$ 152,179 | 7 | \$ 1,306,808 | 16 |
| September | \$ 1,166,077 | 8 | \$ 3,012,476 | 20 |
| Total | \$ 1,416,011 | 20 | \$ 8,757,586 | 53 |

* 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 Sep. 30, 2020 | As of Dec. 31, 2020 | As of Mar. 31, 2021 | As of Jun. 30, 2021 | As of Sep. 30, 2021 |
| Up to 5,000 | 1,446 | 1,333 | 1,326 | 1,256 | 1,262 |
| 5,001 - 25,000 | 1,648 | 1,642 | 1,614 | 1,647 | 1,680 |
| 25,001 - 50,000 | 948 | 949 | 951 | 961 | 963 |
| 50,001 - 100,000 | 1,118 | 1,128 | 1,156 | 1,133 | 1,142 |
| 100,001 - 200,000 | 1,125 | 1,125 | 1,111 | 1,141 | 1,146 |
| 200,001 - 300,000 | 630 | 657 | 665 | 661 | 680 |
| 300,001 - 400,000 | 362 | 385 | 403 | 401 | 395 |
| 400,001 - 500,000 | 300 | 255 | 252 | 247 | 245 |
| 500,000 and above | 566 | 711 | 731 | 786 | 770 |
| Total Accounts | 8,143 | 8,185 | 8,209 | 8,233 | 8,283 |

| By Years of Services | | | | | | | | | |
|------------------------|----------------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|
| As of Sep. 30, 2021 | 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 | 54 | 34 | 0.84% | 2,072 | 1,467 | 30.25% | 47 | 15 | 0.37% |
| 5-10 | 204 | 157 | 3.46% | 908 | 636 | 12.86% | 9 | 2 | 0.09% |
| 10-20 | 1,048 | 851 | 20.20% | 53 | 38 | 0.57% | | | 0.00% |
| 20-30 | 1,053 | 866 | 21.19% | 6 | 4 | 0.04% | | | 0.00% |
| 30+ | 45 | 30 | 0.79% | | | 0.00% | | | 0.00% |
| Total | 2,404 | 1,938 | 46.48% | 3,039 | 2,145 | 43.72% | 56 | 17 | 0.46% |

Continued

* The remaining 9.34 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 Sep. 30, 2021 | No. of full-time employees | No. of Plan Participants |
| 15-20 | 2 | 2 |
| 21-30 | 995 | 708 |
| 31-40 | 1,573 | 1,180 |
| 41-50 | 1,568 | 1,228 |
| 51-60 | 1,109 | 831 |
| 61-70 | 273 | 173 |
| 71-80 | 13 | 7 |
| Total | 5,533 | 4,129 |

| Annuity Accounts | | | | | |
|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As of Sep. 30, 2020 | As of Dec. 31, 2020 | As of Mar. 31, 2021 | As of Jun. 30, 2021 | As of Sep. 30, 2021 |
| Fixed Plan | 22 | 22 | 20 | 20 | 20 |
| Variable Plan | 10 | 10 | 10 | 10 | 10 |
| Total Accounts | 32 | 32 | 30 | 30 | 30 |

Concluded

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

| | Balance as of 9/30/2020 | Balance as of 12/31/2020 | Balance as of 3/31/2021 | Balance as of 6/30/2021 | Balance as of 9/30/2021 | Investment (%) as of 9/30/2021 |
|-------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------|
| Fund | | | | | | |
| Stable Value Option Fund | \$ 253,845,919 | \$ 274,040,420 | \$ 269,766,135 | \$ 263,627,905 | \$ 262,605,225 | 19.7% |
| Vanguard Federal MoneyMarket | \$ 18,770,460 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Short-Term Funds | \$ 272,616,379 | \$ 274,040,420 | \$ 269,766,135 | \$ 263,627,905 | \$ 262,605,225 | 19.7% |
| Templeton Global Bond Fund R6 | \$ 6,710,096 | \$ 6,784,538 | \$ 5,978,548 | \$ 6,011,561 | \$ - | 0.0% |
| Templeton Global Bond VIP Fd 1 | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Fid US Bd Id Fd | \$ - | \$ - | \$ - | \$ - | \$ 12,509,699 | 0.9% |
| Loomis Sayles Core Plus Bd F N | \$ 39,711,327 | \$ 41,298,363 | \$ 41,026,537 | \$ 40,562,831 | \$ 35,398,390 | 2.7% |
| Bond Funds | \$ 46,421,423 | \$ 48,082,901 | \$ 47,005,085 | \$ 46,574,392 | \$ 47,908,089 | 3.6% |
| American Funds Growth Fnd R5 | \$ 128,187,542 | \$ 148,160,813 | \$ 151,443,691 | \$ 158,874,370 | \$ - | 0.0% |
| Vanguard FTSE Soc Indx Fund Inst | \$ - | \$ - | \$ - | \$ - | \$ 10,765,644 | 0.8% |
| TRwPr LCG Fnd | \$ - | \$ - | \$ - | \$ - | \$ 189,293,605 | 14.2% |
| Fidelity Adv New Insights Fund I | \$ 34,883,752 | \$ 37,192,971 | \$ 36,199,259 | \$ 39,732,697 | \$ - | 0.0% |
| Large Cap Growth | \$ 163,071,294 | \$ 185,353,784 | \$ 187,642,950 | \$ 198,607,067 | \$ 200,059,249 | 15.0% |
| AMG Yacktman Fund I | \$ 29,788,366 | \$ 34,407,598 | \$ 37,501,756 | \$ 39,393,038 | \$ - | 0.0% |
| Vanguard TotStock Mrkt Index | \$ 62,720,412 | \$ 70,694,615 | \$ 73,538,774 | \$ 79,622,984 | \$ - | 0.0% |
| Vanguard Instl Index Fund | \$ 39,487,035 | \$ 43,184,187 | \$ 44,652,002 | \$ 48,980,251 | \$ 113,277,006 | 8.5% |
| Parnassus Core Equity Fund Inst | \$ 7,548,521 | \$ 8,895,798 | \$ 9,333,541 | \$ 10,149,874 | \$ - | 0.0% |
| Vanguard Equity Income Fund Adm | \$ 18,811,333 | \$ 20,626,670 | \$ 22,985,664 | \$ 26,174,622 | \$ 65,684,332 | 5.0% |
| Large Cap Value | \$ 158,355,667 | \$ 177,808,868 | \$ 188,011,737 | \$ 204,320,769 | \$ 178,961,338 | 13.5% |
| VY Clarion Real Estate Port Inst | \$ 4,931,502 | \$ 5,421,365 | \$ 6,068,827 | \$ 7,363,456 | \$ - | 0.0% |
| Vanguard Small-Cap Index Fund | \$ 17,375,434 | \$ 22,489,543 | \$ 25,532,214 | \$ 27,436,904 | \$ 31,047,209 | 2.3% |
| Vanguard Mid-Cap Index | \$ 17,236,591 | \$ 20,170,225 | \$ 22,206,122 | \$ 24,659,880 | \$ 44,441,298 | 3.3% |
| MFS Mid Cap Value Fund R6 | \$ - | \$ - | \$ - | \$ - | \$ 6,698,527 | 0.5% |
| Hood River Small Cap Grwth Ret | \$ - | \$ - | \$ - | \$ - | \$ 12,023,325 | 0.9% |
| Janus Hndr Small Cap Val Fd N | \$ - | \$ 2,269,313 | \$ 3,389,121 | \$ 3,413,451 | \$ 2,926,899 | 0.2% |
| Janus Hndrsn Small Cap Value Fund I | \$ 2,025,373 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| JPMorgan Mid Cap Value Fund L | \$ 2,941,021 | \$ 3,424,364 | \$ 4,280,583 | \$ 6,073,353 | \$ - | 0.0% |
| Emerald Growth Fund Inst | \$ 5,000,485 | \$ 6,972,997 | \$ 8,605,136 | \$ 8,276,170 | \$ - | 0.0% |
| Janus Hndrsn Enterprise Fund N | \$ 25,517,734 | \$ 28,474,071 | \$ 27,442,715 | \$ 28,416,587 | \$ 28,230,669 | 2.2% |
| Small/Mid Specialty | \$ 75,028,140 | \$ 89,221,878 | \$ 97,524,718 | \$ 105,639,801 | \$ 125,367,927 | 9.4% |

Continued

| | Balance as of 9/30/2020 | Balance as of 12/31/2020 | Balance as of 3/31/2021 | Balance as of 6/30/2021 | Balance as of 9/30/2021 | Investment (%) as of 9/30/2021 |
|--------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------|
| Continued | | | | | | |
| Vanguard Intl Value Fnd Inv | \$ - | \$ - | \$ - | \$ - | \$ 2,283,316 | 0.2% |
| Vanguard Tot Int Stk In F Ins | \$ - | \$ 6,194,564 | \$ 6,547,788 | \$ 7,582,590 | \$ 12,352,836 | 0.9% |
| American Funds EuroPacific Grw R6 | \$ - | \$ 30,945,855 | \$ 30,168,399 | \$ 32,065,479 | \$ 40,311,463 | 3.0% |
| American Funds EuroPacific Grw R5 | \$ 25,916,260 | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Inv Opp Developing Markets Fund Y | \$ 9,788,318 | \$ 11,428,760 | \$ 11,655,646 | \$ 12,044,695 | \$ - | 0.0% |
| DFA Int'l Small CO - Class | \$ 3,250,079 | \$ 3,688,531 | \$ 3,866,440 | \$ 4,277,012 | \$ - | 0.0% |
| Global Int'l | \$ 44,192,745 | \$ 52,257,710 | \$ 52,238,273 | \$ 55,969,776 | \$ 54,947,615 | 4.1% |
| Ameritrade-SF Dir Acct | \$ 62,521,177 | \$ 77,039,382 | \$ 79,769,796 | \$ 85,301,473 | \$ 86,048,524 | 6.5% |
| Other Assets | \$ 62,521,177 | \$ 77,039,382 | \$ 79,769,796 | \$ 85,301,473 | \$ 86,048,524 | 6.5% |
| Moderate Custom Lifestyle Port | \$ 115,579,224 | \$ 128,106,913 | \$ 130,933,997 | \$ 134,424,056 | \$ - | 0.0% |
| Aggressive Custom Lifestyle Port | \$ 96,224,318 | \$ 110,782,193 | \$ 113,442,610 | \$ 119,887,698 | \$ - | 0.0% |
| Conservative Custom Lifestyle Port | \$ 24,853,212 | \$ 26,777,550 | \$ 27,311,508 | \$ 27,401,336 | \$ - | 0.0% |
| Vangrd Instit Tgt Ret 2015 Ins | \$ 2,715,212 | \$ 2,721,113 | \$ 2,910,222 | \$ 2,940,409 | \$ 2,759,609 | 0.2% |
| Vangrd Instit Tgt Ret 2025 Ins | \$ 7,561,381 | \$ 9,674,650 | \$ 11,230,802 | \$ 12,263,389 | \$ 143,213,198 | 10.7% |
| Vangrd Instit Tgt Ret 2035 Ins | \$ 7,881,667 | \$ 9,007,605 | \$ 9,387,818 | \$ 11,505,446 | \$ 11,742,724 | 0.9% |
| Vangrd Instit Tgt Ret 2045 Ins | \$ 7,584,754 | \$ 8,668,277 | \$ 9,046,933 | \$ 10,145,565 | \$ 10,443,570 | 0.8% |
| Vangrd Instit Tgt Ret Inc Ins | \$ 2,579,709 | \$ 2,635,274 | \$ 2,881,895 | \$ 2,786,432 | \$ 29,197,433 | 2.2% |
| Vangrd Instit Tgt Ret 2020 Ins | \$ 6,633,850 | \$ 6,678,813 | \$ 7,144,153 | \$ 8,221,252 | \$ 8,142,005 | 0.6% |
| Vangrd Instit Tgt Ret 2030 Ins | \$ 5,515,084 | \$ 6,421,915 | \$ 7,144,338 | \$ 7,644,753 | \$ 10,152,029 | 0.7% |
| Vangrd Instit Tgt Ret 2040 Ins | \$ 4,812,303 | \$ 5,881,926 | \$ 6,640,740 | \$ 7,550,628 | \$ 123,361,759 | 9.3% |
| Vangrd Instit Tgt Ret 2050 Ins | \$ 9,389,560 | \$ 10,892,825 | \$ 11,931,140 | \$ 13,225,341 | \$ 13,034,696 | 1.0% |
| Vangrd Instit Tgt Ret 2055 Ins | \$ 12,242,794 | \$ 14,588,183 | \$ 15,824,143 | \$ 17,586,665 | \$ 17,947,082 | 1.4% |
| Vangrd Instit Tgt Ret 2060 Ins | \$ 1,152,126 | \$ 1,554,656 | \$ 1,787,624 | \$ 2,292,740 | \$ 2,653,183 | 0.2% |
| Vangrd Instit Tgt Ret 2065 Ins | \$ 352,462 | \$ 470,889 | \$ 518,424 | \$ 635,455 | \$ 895,529 | 0.1% |
| Asset Allocation Funds | \$ 305,077,656 | \$ 344,862,782 | \$ 358,136,347 | \$ 378,511,165 | \$ 373,542,817 | 28.1% |
| 457 Options Total | \$ 1,127,284,481 | \$ 1,248,667,725 | \$ 1,280,095,041 | \$ 1,338,552,348 | \$ 1,329,440,784 | 99.9% |
| Annuity | \$ 968,296 | \$ 970,752 | \$ 984,407 | \$ 995,387 | \$ 981,818 | 0.1% |
| Total 457 Options and Annuity | \$ 1,128,252,777 | \$ 1,249,638,477 | \$ 1,281,079,448 | \$ 1,339,547,735 | \$ 1,330,422,602 | 100.0% |
| Concluded | | | | | | |

**Part Time Employee (PTC) Plan
Statement of Changes in Assets
Fiscal Year 2021 - 2022**

| | FY21 4th Quarter (Apr-Jun) | FY22 1st Quarter (Jul-Sep) | Change from 4th Qtr FY21 to 1st Qtr FY22 Increase (Decrease) |
|-------------------------------|----------------------------------|----------------------------------|--|
| Beginning Balance | \$ 26,767,316 | \$ 27,136,577 | \$ 369,261 |
| Add: | | | |
| Payroll Contributions | 656,035 | 881,960 | 225,925 |
| Misc. Contributions | 12,117 | 11,675 | (442) |
| Loan Payments Received | 3,256 | 3,761 | 505 |
| Deduct: | | | |
| Loan Issued | - | - | - |
| Withdrawals | (414,235) | (376,548) | 37,687 |
| Administrative Fees | (8,796) | (6,572) | 2,224 |
| Earnings (Loss): | | | |
| PTC Investments | 120,501 | 127,081 | 6,580 |
| Loan Interest | 383 | 394 | 11 |
| Ending Balance | <u>\$ 27,136,577</u> | <u>\$ 27,778,328</u> | <u>\$ 641,751</u> |

Deferred Compensation Program
Source and Use of Administrative Reimbursement Funds
Fiscal Year 2021 - 2022

| | 1st Quarter (Jul-Sep) | Total Fiscal Year | Projected Annual Budget | % of Budget |
|---|--------------------------|----------------------|----------------------------|-------------|
| Surplus - Beginning | \$ 361,335 | \$ 361,335 | | |
| Adjustment | - | - | | |
| Surplus - Beginning, Adjusted | <u>361,335</u> | <u>361,335</u> | | |
| Surplus - Beginning | 361,335 | 361,335 | | |
| Revenues | | | | |
| VOYA - Cost Reimbursement | 141,907 | 141,907 | 800,000 | 17.7% |
| Interest Earnings | (2,962) | (2,962) | 4,000 | -74.1% |
| Total Revenues | <u>138,945</u> | <u>138,945</u> | <u>804,000</u> | 17.3% |
| Expenditures | | | | |
| Personnel | 74,631 | 74,631 | 348,092 | 21.4% |
| Non-Personnel | 56,141 | 56,141 | 114,034 | 49.2% |
| Total Budgeted Expenditures | <u>130,772</u> | <u>130,772</u> | <u>462,126</u> | 28.3% |
| Refund to All Plans Participants | - | - | | |
| Total Expenditures | <u>130,772</u> | <u>130,772</u> | | |
| Surplus - Net Change | <u>8,173</u> | <u>8,173</u> | | |
| Ending Surplus - Reserved | 190,531 | 190,531 | | |
| Ending Surplus - Unreserved | 178,977 | 178,977 | | |
| Ending Surplus - Total | <u>\$ 369,508</u> | <u>\$ 369,508</u> | | |