



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 9:02 a.m. on Monday, December 13, 2021, Teleconferenced via Zoom Meeting.

Roll Call:

Julia Cooper, Chair	City Manager's Representative
Bonny Duong	City Manager's Representative
Roberto Peña, Vice Chair	Management Employees' Representative
David Woolsey	Police Representative
Jaime Fonseca	Employees' Representative
Jamal Fountaine	Firefighter Representative

Also Present:

Jennifer Schembri	Human Resources
Emily Hendon	Human Resources
Amy Morton	Human Resources
Melissa Lopez	Human Resources
Eric Lemon	Finance
Vincent Galindo	Hyas Group
Bishop Bastien	Voya
Nancy Agaiby	Voya
Suzanne Hutchins	City Attorney
Joe Ebisa	Journalist

ANNOUNCEMENTS

Staff welcomed Bonny Duong as the newest member to the DCAC.

APPROVAL OF MINUTES

1. [September 20, 2021](#)

***M.S.C.** (Jamal Fountaine/Jason Santos) approved the minutes for the Deferred Compensation Advisory Committee Meetings on September 20, 2021.

CONSENT CALENDAR

2. Accept report on [YTD Fund Performance](#) Summary

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

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3. Accept Voya [Quarterly Activity Report](#) for 3rd Quarter 2021
- *M.S.C. (Roberto Peña/Julia Cooper) accepted the consent items and no item was pulled for discussion.

BUSINESS (Discussion and/or Action Items)

4. Review and accept [Investment Performance Evaluation Report and Watch List](#) for Period ending September 30, 2021 — Vincent Galindo, Hyas Group, presented the report and notified staff that they will be doing a fund replacement search and bringing a recommendation to the March meeting.
*M.S.C. (Bonny Duong/ David Woolsey) accepted the report and watch list.
 5. Review and accept updated [Investment Policy](#) — Vincent Galindo, Hyas Group, explained suggested changes.
*M.S.C. (Jamal Fountaine/ Jaime Fonseca) accepted the updated investment policy.
 6. [NAGDCA Connect Annual Conference](#) Share-Out and Discussion—Amy Morton informed the committee a matrix was created to show all the different seminars offered by NAGDCA for 2021 and allows for committee members to click on the PowerPoints and presentation recordings.
 7. [Discussion and recommendation](#) on action for CIT investment options Vanguard Retirement Trust II and T. Rowe Price Large Cap Growth Trust Class C— Vincent Galindo, Hyas Group (Discussion and Action)
 - a. [November 30, 2021 Memo to DCAC](#) regarding contractual authority under Voluntary 457 Deferred Compensation Plan - San Jose Municipal Code Section 3.48.060 from Suzanne Hutchins, City Attorney’s Office, presented the memo.
 - b. April 21, 2021 [Memo to DCAC regarding Summary of Terms](#) from Suzanne Hutchins, City Attorney’s Office
 - c. If Deferred Compensation Advisory Committee selects investment option Vanguard Retirement Trust II, request City Manager to execute agreement and corresponding documents for said investment option
 - i. [Vanguard - TRT II Dec of Trust](#)
 - ii. [Vanguard -TRT Master Trusts - Consolidated Decs of Trust \(Client\)](#)
 - iii. [Vanguard -Target Retirement Trusts II - Investment Authorization](#)
 - iv. [Vanguard - Power of Attorney](#)
 - v. [Vanguard-In lieu of Determination Letter 457](#)
- *M.S.C. (Roberto Pena/ David Woolsey) accepted the Vanguard Retirement Trust II, requesting Staff coordinate the City Manager to execute agreement and corresponding documents; all in favor with the exception of Jamal Fountaine.
- d. If Deferred Compensation Advisory Committee selects investment option T. Rowe Price Large Cap Growth Trust Class C, request Staff to seek approval on behalf of DCAC from City Council to allow City Manager to execute agreement and corresponding documents for said investment option
 - i. [TRP - Amended and Restated Declaration of Trust](#)
 - ii. [TRP - Supplemental Declaration of Trust](#)
 - iii. [TRP - Offering Circular](#)
 - iv. [TRP - DOL408b2ctf-Large-Cap GrowthTrust-12.2020](#)



- v. [TRP - Annual Report 2020-T. Rowe Price Large-Cap Growth Trust](#)
 - vi. [TRP - Large-Cap Growth Trust \(Class C\) LG3 FactSheets9.30.2021](#)
 - vii. [TRP - Large-Cap Growth Trust -Investor Info SJ 457](#)
 - viii. [TRP - In Lieu of Determination Letter 457](#)
- ***M.S.C.** (Roberto Pena/ David Woolsey) accepted the T. Rowe Price Large Cap Growth Trust Class C, requesting Staff seek approval on behalf of DCAC from City Council to allow City Manager to execute agreement and corresponding documents. Staff will circulate memo and council dates once known. All in favor with the exception of Jamal Fountaine.
8. Review and discuss areas related to the prior discussion on “de minimus” [Account cashout threshold changes](#) — Staff (Discussion)
- a. Review [Department of Labor Best Practices](#) (Hyas Group) Vincent Galindo presented the recommendations.
 - b. Review of [Voya’s current process](#) for “lost” participants and uncashed/unclaimed checks (Voya and Staff) Bishop Bastien explained the process of where uncashed checks and unclaimed property goes. Amy Morton reiterated that the City is not getting involved in uncashed checks but will continue to work with Voya on lost participants that are currently receiving RMDs.

REPORTS AND INFORMATIONAL ITEMS

9. Staff Update —Staff. Amy Morton updated the DCAC on the following:
- a. IRAs are allowed in the 457 plan and Staff will prepare a flyer and do outreach to promote account consolidation.
 - b. The memos for the seat extensions are in process.
 - c. Staff plans to bring a memo regarding the RFP for Plan Administration to the March meeting and requested members express interest in participating.
 - d. Voya reps are to continue to remain remote and avoid indoor visits to City Hall until another update in March 2022
 - e. The 457 annual maximum was increased to \$20,500, increasing both catch up programs accordingly. Julia Cooper requested Staff send additional info about the increase. Bishop Bastien will work on getting a notice on quarterly statement.
10. Stable Value Renewal Rate—Staff Update. Amy Morton informed the committee that the rate experienced a small decrease from 1.86% to 1.81% for the period of January 1, 2022 through March 31, 2022.
11. Review the [External Financial Audit Report](#) for FY20-21 — Eric Lemon, Finance Department delivered the report.
12. Update on the [Deferred Compensation Plans First Quarter Financials](#) for FY 2021-22— Eric Lemon, Finance Department delivered the report.
13. Update on Regulatory and/or Legislative Items, including economic and market forecast — Vincent Galindo, Hyas Group informed the committee on the legislative items.
14. Update on the Deferred Compensation Plans [Revenue Reimbursement Report](#) for the period July 1, 2021 to September 30, 2021—Bishop Bastien, Voya delivered the report.



NEXT MEETING

Next Committee Meeting, Monday, March 21, 2022, via Zoom, 9:00 a.m.

OPEN FORUM/PUBLIC COMMENT

Julia Cooper commented that it may be difficult for the average person to find the DCAC documents that are posted on City of San Jose Deferred Compensation site and requested Staff post them on the main Human Resources webpage.

The meeting was adjourned at 10:57 a.m.

Julia Cooper, Chair
Deferred Compensation Advisory Committee

