NOTICE OF PUBLIC MEETING
CITY OF PHOENIX
EMPLOYEES' DEFERRED COMPENSATION BOARD

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **EMPLOYEES' DEFERRED COMPENSATION BOARD** and to the general public, that the **EMPLOYEES' DEFERRED COMPENSATION BOARD** will hold a meeting open to the public on **February 20, 2014 at 8:30 a.m. located in Room 100, 1st Floor, Personnel Building, 135 North 2nd Avenue, Phoenix, Arizona.**

One or more members of the Employees' Deferred Compensation Board may participate via teleconference call.

The agenda for the meeting is as follows:

1.	Call to Order	Rick Naimark
2.	Board Consideration of the Minutes from the January 16, 2014 Meeting. This item is for discussion and action.	Rick Naimark
3.	The Board may vote to hold an executive session pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of obtaining legal advice from the Board's attorney regarding Items 4 and 5 on the agenda. If authorized by a majority of the members present, the executive session will be held immediately after the vote and will not be open to the public.	Rick Naimark
4.	Update regarding recent Board Participant Investment Advisory Services Subcommittee Meeting regarding the potential addition of investment advisory services for participants in the City's 457 and 401(a) Plans and Post Employment Health Plan (PEHP) to the RFP for plan administration/ recordkeeping for those Plans; or creating a stand-alone RFP for investment advisory services for participants in those Plans. Board Consideration of Subcommittee recommendation to add the following services to the RFP for plan administration/ recordkeeping services for the City's 457 and 401(a) Plans and Post Employment Health Plan (PEHP). The RFP would stipulate that these services are to be provided by a Registered Investment Advisory (RIA) firm who would be aligned with a provider of plan administration/recordkeeping services. (continued next page)	Joe Clure Stephanie Hart Mary Kyle Kathy Schelbrock Scott Faris Jayson Davidson

4.	• Counseling and educational support in group settings to employees in the City's 457 and 401(a) Plans related to the Arizona Public Safety Personnel Retirement System (PSPRS) and the City of Phoenix Employees Retirement System (COPERS) at no charge to the Plans, the City, or the participants.
	• Make available individual investment advisory services to participants in the City's 457 and 401(a) Plans related to their Self-Directed Brokerage Option Account (SDBA), which is currently thru Schwab, and/or their core account in the City's 457 and 401(a) Plans.
	  • It would be clarified in the RFP that participants interested in utilizing the investment advisory services would be individually responsible for fees, if any, paid to the RIA firm for those services.
	  • It would be clarified in the RFP that participants in the Plans can utilize any RIA firm for investment advisory services and are not required to utilize the firm(s) contracted as a result of that RFP.
	
	Staff review of issues associated with conducting an RFP process that would include offering investment advisory services to participants in the City's 457 and 401(a) Plans. These issues were discussed during the February 5, 2014 meeting of the DCP and PEHP Board Participant Investment Advisory Services Subcommittee Meeting.
	• If an RFP that either included those services or solicited those services separately was approved by the Board, Board approval would be needed to allocate funds in the 457 Plan budget for an additional professional-level staff person.
	  • Estimated cost would be $130,000-$135,000 per year which could be addressed by increasing the City's administration fee for the Plans.
	  • Staff would present a fee proposal for Board consideration by the April Board Meeting.
	• If an RFP that either included those services or solicited those services separately was approved by the Board, Board clarification would be needed related to the number of RIA firms that could be awarded as a result of the RFP.
	
	The Board may also consider variations of the above recommendation.
	
	This item is for discussion and possible action.	

5.	Board discussion of potential formal response regarding the elimination of City Non-Elective Contributions to the 401(a) Plan proposed in current City labor negotiations process. This item is for discussion and action.	Rick Naimark Joe Clure

6.	Board Consideration of correction to Appendix 6 (circular calculation examples for deferrals of Special Pay) of the new Restated 401(a) Plan Document approved at the December 19, 2013 Board Meeting as follows. Ice Miller will send corrected page to the IRS upon Board approval. • Corrected figure on page 8 to reflect limit under the 457(b) Plan as the lesser of $22,000 or $49,000 (instead of the lesser of $22,000 or 41,325) Staff update regarding March 1, 2014 implementation date of changes to the Special Pay Component in the new Restated 401(a) Plan Document. This item is for discussion and action.	Kathy Schelbrock Mary Kyle
7.	Board Consideration of Nationwide's Final Annual Communication and Education Plan for Enrollment, Participation, and Education Goals for January through May 6, 2014 for 457/401(a) Plans and Post Employment Health Plan (PEHP) including review of: ● Year-end statistics for 2013 objectives ● Most favored client 2013 statistics ● Updates to objectives and strategies as a result of finalization of fourth quarter 2013 statistics and other considerations ● 2014 plan measurement goals This item is for discussion and action.	Michelle Murphy
8.	Plan Administrator's review of report on Fourth Quarter 2013 Nationwide Retirement Solutions' Services including status updates on: ● Annual Business and Education Plan Goals ● Contractual Performance Standards ● Schwab Self-Directed Brokerage Account Quarterly Report ● Statistics Regarding Participants ● Contributions and Distributions ● Quarterly and Annual Revenue Reconciliation ● Summary of 457 and 401(a) Plan Assets This item is for information and possible action.	Michelle Murphy

9.	Review by the Hyas Group of Fourth Quarter 2013 Performance Report for investment options in the City's 457 and 401(a) Plans including: ● Executive Summary including: ● Plan Utilization and Fees ● Investment Policy Compliance ● Investment Consultant Recommendations including: ● Place Fidelity Contrafund on the Watch List due to underperformance ● Place PIMCO Total Return Institutional Fund on the Watch List due to senior management changes ● Place PIMCO All Asset Institutional Fund on the Watch List due to senior management changes ● Market Overview ● Plan Review ● Investment performance review ● Cost and revenue analysis ● Fund descriptions This item is for information and action.	Scott Faris Jayson Davidson
10.	Morley announcement of Ron Heath as new Managing Director of Morley Financial Services, Inc. This item is for information only.	Ron Heath Audrey White
11.	Review by Morley Financial Services of Fourth Quarter 2013 performance of the Phoenix Stable Income Fund investment option in the City's 457 and 401(a) Plans including: ● Stable Value Market Update including: ● Wrap Market Update ● Phoenix Stable Income Fund Review This item is for discussion and possible action.	Ron Heath Audrey White
12.	Staff's Report on General Plan Administration Issues including: ● Board Manual Updates: ● Revised Table of Contents ● New Restated 401(a) Plan Document, including revised Appendix 6 (Tab #9) ● Fourth Amendment to Nationwide's plan administration Contract (Tab #17) ● Fifteenth Amendment to Morley's investment management contract for the Plans' Phoenix Stable Income Fund (Tab #18) ● Hyas investment consulting contract for the City's 457/401(a) Plans and PEHP (Tab #19) ● <u>Reminder</u>: Next Board Meeting is on March 24 from 8:30-10:30 a.m. (instead of March 20) This item is for information only.	Kathy Schelbrock
13.	Future Agenda Items.	

14.	Call to the Public.	
15.	Adjournment.	

For further information, please call Kathy Schelbrock, Senior Human Resources Analyst, Human Resources Department, Benefits Office at 602-256-3282.

For reasonable accommodations, call Jenelle Hancock at Voice/602-534-3910 or TTY/602-261-8687 as early as possible to coordinate needed arrangements.

Rev February 18, 2014