

MONEY PURCHASE PENSION PLAN FOR PEACE OFFICERS BOARD MEETING

Minutes August 20, 2013

Meeting Summary

The Board met to 1) review/approve the minutes from the last meeting; 2) review/discuss New Business; 3) review/discuss Old Business; and 4) discuss any Other Business.

Roll Call

Present: Present were Employee Committee Members Micheal Deedon, Justin Petersen and Bryan Lingo, and Director of Finance Patricia Soderberg, and Director of Human Resources Suzanne Smith.

Absent: None.

Others in attendance: Darrell Quam from Wells Fargo. David Halseth, Larisa Knafelc, Eric Leavitt and Kristi Sullivan from Strategies LLC. Amy Benallo, Vickie Mauri and Krista Rhode from Human Resources.

Elect Chairperson/Minutes

The meeting was called to order at 1:30 pm.

Disposition of Minutes – The minutes of the May 13, 2013 meeting were approved (Motion – Ms. Soderberg, second – Mr. Deedon, unanimous acceptance).

New Business

Pension Amendment – The Money Purchase Plan for Peace Officers' plan document is codified in the Broomfield Municipal Code. Any changes to the plan must be submitted in the form of an ordinance to City Council. The plan must be updated for all changes this year and re-statement of the plan must be submitted to the Internal Revenue Service no later than January 31, 2014. Ms. Smith advised the other committee members that ordinance 1984 amending the money purchase plan would go to City Council for consideration on September 10 for first reading and October 8 for second reading.

Ordinance No. 1984 would update the Money Purchase Plan for Peace Officers by amending: 1) Subsection 2-25-030(C) to include the definition of civil union partner as required by the Civil Union Act, 2) 2-25-030(Q) to add the definition of surviving spouse or spouse as the definition relates to the rollover section, 3) 2-25-060(E) to remove a reference to C.R.S. § 31-31-601 since this section of the C.R.S. does not pertain to investment of funds, 4) Subsection 2-25-075(B)(3) to remove a reference to jointly held loans since jointly held loans are not applicable to this plan, 5) 2-25-090(C) to include IRS required language updating the language for eligible rollover distributions, 6) Section 2-25-100 to provide the order in which a death benefit is distributed in cases where the employee does not name a beneficiary or the beneficiary predeceases the employee, 7) Section 2-25-100 further to remove redundant information relating to minimum distributions (covered under 2-25-090) and to add procedural information relating to disbursement of the death benefit, 8) Subsection 2-25-120(A) to clarify when a vote of the active employees is required to approve changes to Chapter 2-25 (A vote would be required when changing benefits but not when updating the Chapter to comply with IRS regulations, other state/federal laws or housekeeping changes), and 9) 2-25-140(K) to include IRS required language regarding instructions the employer must provide upon distribution of benefits.

Administrative Fees for Trust and Recordkeeping – Effective August 1, 2013, Strategies LLC has been appointed as investment and retirement plan advisor to the money purchase plan and Wells Fargo will no longer provide these services. This change results in a modification to the fee structure for

Wells Fargo. The participant fee paid to Wells Fargo will be for trustee and record keeping services only. Effective August 1, 2013, the fee paid by each participant per year will be \$198.

<u>Presentation</u> by Strategies LLC – Mr. Halseth introduced the members of the Strategies LLC team and the Strategies LLC team covered the following:

- Summarized the content of the service agreement.
- Reviewed timeline for projects through July 15, 2014.
- Provided an economic and market review.
- Discussed the content of Quarterly Reports.
- Reviewed the scoring system used for and the corresponding results of each mutual fund.
- Provided a brief overview of opportunities for improvement in the investment policy statement. Explained the difference between Wells Fargo's scoring system and the system used by Strategies LLC.
- Provided information on composite scoring of Janus 20 fund. Provided an analysis of the current investment line-up with recommendations for improvement.
- Provided an overview of the Target Date Funds.
- Provided samples of reports.

Participant Education and Advice – Ms. Sullivan explained the education and advice services offered through Strategies LLC. The service agreement includes four education/advice days per year and an initial six additional days in the first six months. She collaborated with Benefits Coordinator Krista Rhode to develop a training schedule for the general employees through the end of the year. She is working with police employees to schedule meetings for police participants. One hour seminars include Introduction to Strategies, Basic Investing Concepts, Behavioral Finance and How to Find a Financial Planner.

Topics for Upcoming Meetings – The committee agreed to the following:

- Informal Meeting on September 18 Topics to include Fiduciary training, review of investment policy statement and share class analysis.
- Meeting on October 2 Total cost analysis, review process for record keeper search and benchmarking the plan against other governmental plans.
- Education Plan for 2014 Mr. Deedon suggested providing education at the Spring in-service training.

Old Business/Other Business

None.

Adjournment

The meeting was adjourned at 3:00 p.m.

Approval

Minutes Prepared by Suzanne Smith

Approved on 10/02/2013 by Pension Committee