

City of Mesa
Deferred Compensation Committee
MEETING MINUTES
Monday, November 26, 2012, 11:30am
Mesa City Plaza Conference Room 450 South

Members Present:

Chuck Odom (Chair)
Mike Kennington (Co-Chair)
Derek Witting
Don Miller
Mary Dellai
Vicki Eden

Members Absent:

Frank Hoglund
Jayson Vowell
Michael Claspell
Michele Long

Other(s) Present:

Bill Taebel
Nikki Rosales

Meeting called to order at 11:35am by Chuck Odom

1. Follow-up to November 14, 2012 meeting

The committee's feedback on the Statement of Work (SOW) and Questionnaire were given to Wendy Dominguez of Innovest. Wendy also found the Standard Terms and Conditions that were sent out with the last RFP and forwarded them to the committee. Bill looked them over and said that they were out of date. He was trying to find current forms through the Purchasing Department. Chuck asked Bill to update the necessary changes and forward them to Wendy and copy Mike and himself.

2. Review Revised Statement of Work (SOW) & Questionnaire

Mike went over the revised SOW and Questionnaire with the committee to make sure all requested changes were incorporated.

STATEMENT OF WORK

Background Information: Added a new paragraph, which includes our contributions, distributions and loan information for a select number of years. Don indicated that he was expecting a larger figure for the 2012 YTD total, but realized the figures were based off of calendar year, rather than fiscal year. He said the type of year should be specified on the document.

Evaluation Criteria: "as advisor to the Deferred Compensation Committee" was added to clarify Innovest's relationship with the City of Mesa.

Qualifications & Experience: CGI Advantage was added to specify the type of financial software that the city is using.

Statement of Plan Services:

- C. Recordkeeping and Administrative Services: Number 4 was added to clarify administration of hardship withdrawals.
- F. Legal Requirements: The language that Bill recommended was added to the end of the sentence, as follows: “and consistent to applicable Arizona laws for municipal corporations.”
- H. Transition Services: This section was added to highlight the need for a seamless transition.

Mary said that she thought we were going to add something about an onsite representative to the SOW. Mike indicated that it was added to the questionnaire under Participant Communication as number 11. He suggested that we may want it in both places. Mary agreed that it is important enough that it should be specifically called out. She suggested that we add it to section B, Participant Customer Services, because we want them to provide counseling services, as well as conduct seminars to inform future participants about the program. Number 2 of that section covers telephone hours in detail, but doesn't specify an onsite person. Mike said that they'll ask Innovest to include it.

Mary had a note from the prior meeting, regarding the City of Mesa loan policy and participants having the ability to pay the plan administrator directly for their loans. The committee recalled discussing the loan policy at our previous meeting. This brought up additional questions and Don asked if a retiree would you have to come in to the city to pay back a loan. Chuck indicated that it would have been considered a distribution at that point, because they would have separated from the plan upon retirement. It would be considered a withdrawal and the loan balance would be converted as of the date they separated from the city. The committee does want the provider to administer our loan policy though, for legal purposes. Chuck suggested that we add to section C, Recordkeeping and Administrative Services, number 3, to read as: Ability to process and maintain participant loans through payroll deductions “and city policy.”

QUESTIONNAIRE

General:

16. Changed Colorado to Arizona

19 & 20. These were added to inquire about Roth options and Health Savings Accounts (HSA's).

These were not added to the SOW, but Chuck felt it was fine, since it's not the committee's primary goal. It was mentioned that the SOW should display items we really want and not limit our pool of applicants by adding items, such as Roth and HSA's. A provider will not be excluded if they do not offer Roth options or HSA's. Also, we can always look at these options with a different provider down the road, which our new financial system will allow for.

Participant Communication:

11. This was added to verify whether or not they can provide a dedicated onsite rep.
12. Wording was changed to clarify the provider would be able to develop and maintain a custom branded website.

Recordkeeping Services & Administration:

12. This was added to ask the provider to explain their conversion process and timeline.

3. Miscellaneous Discussion

The current contract with GW expires on May 1, 2013, but they've offered to extend our contract anywhere from 1 month to 12 months at our current terms, while we complete the RFP process. Their experience is that it normally takes 90 days to complete a conversion and we've already cut that by 30 days.

Innovest is still shooting to have the RFP out on December 3, 2012, with responses due by January 4, 2013. Innovest is going to prescreen and likely provide a spreadsheet of all the responses. The committee will then perform the final review. It was mentioned that we may be able to discuss and approve the next draft through e-mail, rather than a formal meeting, once we receive it from Wendy. Mike asked Bill how long he would need to build a good Standard Terms and Conditions. Bill said he could do it within the next couple of days. Also, Chuck said that he checked with Wendy to verify why a formal RFP was not received with the last set of documents. Wendy indicated that the documents she sent were the only items distributed during the last proposal. We would still like a formal RFP outlined, so Bill will compile one and send it to the committee.

Another item to consider is that, should a new provider be selected, they would be going through their conversion process at the same time CityEdge Payroll is set to go live. We may want to separate from that, to eliminate any confusion.

It was discovered that our contract with Innovest expires on January 2, 2013. The contract found was dated January 17, 2008 and was a 5 year contract with no extensions listed. There was no indication that a formal process was done to select Innovest as our consultant, but our records are someone spotty, due to employee retirements and changes of committee members. Chuck and Mike plan to ask Innovest for an extension, since they are in the middle of doing our RFP. It was mentioned that we may want to stagger our consultant and plan administrator contracts, to eliminate replacing both the same time again. The committee was asked for their thoughts on extending the contract. If Innovest is willing to keep the same terms, the committee would like to propose a 2 year extension that falls mid-term of the plan administrator. Bill said that he could do a one page formal extension for Chuck and Mike to send to Wendy. Chuck and Mike plan to set-up a call with Wendy on Thursday to discuss the RFP and contract extension.

4. Meeting Adjourned.