ATTENDANCE
Council Members
Patricia Davis, Chair
Tom Schneider, Member
Paul Spengler, Member
Tim House, Member
Amy Berry, Member
Barb Wagner, Member
Steve Hagen, Member
Jim Penner, Member-Absent
Diane Fladmo, Member
Jeff Bollman, Member
James Helgeson, Member
Malissa Williams, Member

MPERA Staff
Jennifer Weigand, Education Supervisor
Kate Talley, Legal Counsel
Beth Long

Public
Donald Eibsen, Conduent
Marty Tuttle, PERS Board Member

Presenters
Donald Eibson, Conduent HR Services Investment Counseling

II. Roll Call (0:16-0:46)

III. Public/Member Comment (0:54:00-5:47)
- Paul Spengler announced his retirement from the Committee, and as the Coordinator of Emergency and Disaster Services for Lewis and Clark County where he was employed for the last 38 years. Paul mentioned that he enjoyed working on the EIAC committee and respected all the hard work everyone contributes. His replacement will be Tammy Potter who is employed with Lewis and Clark County as the Sheriff’s Budget Officer.

ACTION ITEMS

IV. Approval of EIAC meeting minutes- July 27, 2017 (5:49-6:02:02)
- Tom Schneider moved to approve the meeting minutes for July 27, 2017. Paul Spengler seconded the motion, which passed unanimously.
V. Fund Performance Review-Don Eibson, Conduent HR Services Investment Counseling (6:03-1:00:41)
   a. Market Review (6:03:00-20:34)
      Mr. Eibson reviewed current standings and highlights of the Market in General. U.S. stocks produced positive returns in the third quarter along with Bonds. International developed markets continued their strong performance. Mr. Eibson discussed the US Economy, the drop to 4.2% for the unemployment rate along with the current standings of Bonds, Equities and Fixed income. No Action Taken.
   b. 457(b) Deferred Compensation Plan (20:36-52:13)
      Mr. Eibson discussed the performance of the funds in the 457(b). He went over the range of investments available with the plan, Fund Overview, current Asset Allocation, and style characteristics as September 30, 2017. The plan assets totaled $ 488.7 million, they are allocated as 48% to the Stable Value fund, 2% to Bond funds, 12% to Target Date/Balanced funds, 29% to U.S. Equity funds, and 8% in International Equity funds. No action taken.
   c. 401(a) Defined Contribution Plan (55:10-1:00:41)
      Mr. Eibson discussed the performance of the funds in the 401(a). The Range of Options, Asset Allocation of the funds, Target Date Funds, and Peer Group ratings in the plan were discussed. The plan assets totaled $ 203.2 million. This is up from June 30, 2017. The Plan assets were allocated 8% to the Stable Value Fund, 2% to Bond fund, 55% to Target Date/Balance funds, 28% to U.S. Equity funds, and 8% to International Equity Funds. No action taken.

VI. Target Date Fund Discussion-Don Eibsen, Conduent (1:03:10 – 1:42:42)
   • Mr. Eibsen presented Retirement Glide Path Solution information to continue the discussion on changing the Target Date Fund Share Class that was discussed at the July, 27, 2017 meeting. A comparison of Collective Trust verses Share Class was presented to the group. He stated that it would be an easy swap and clean transparent solution to move to the Retirement I Funds. The I Class has 42 bps to 61bps, we are currently at 57 bps to 76. Communication to participants is key, portability is not an issue, but there will need to be communication with Empower to ensure they can provide Fund Fact Sheets to participants. Ms. Davis mentioned that the Trust documents would need review and be acceptable and the committee would have to look at the overall administrative cost to the plan. Mr. Eibsen will assist in getting information to review at the next meeting in January 2018. Diane Fiadmo moved to continue the discussion with additional information on the January 25, 2018 meeting. Barb Wagner seconded the motion which passed unanimously.

VII. Portfolio Review -Don Eibsen, Conduent (1:42:49-3:05:25)
   • Mr. Eibsen presented on the streamlining or changing the current options structure of both the 457(b) and the 401(a) plans. This is continued education information on the previous July 27, 2017 meeting. His review consisted of showing the percentage of participants utilizing each fund in both plans. Both plans do have an overlap in fund choices when compared side by side. Mr. Eibsen presented an alternative range of investments where both plans would at a minimum add index funds across all asset classes as the most recent lawsuits facing plan administrators are because the plans lacked index fund options. The report showed favor to adding Vanguard Total International Stock Index fund to the 457(b) plan and Vanguard Mid cap Index fund to the 401(a) plan in addition to adding a Bond Index fund to both plans. Ms. Eibsen also recommended removing Artisan International and Franklin Global Discovery from the 457(b). The committee debate recommendations and Mr. Eibsen stated that he should have recommended probation for Artisan international during the fund review. Barb Wagner motioned to remove the Artisan International Investment and the Franklin
Mutual Global Discovery Z from both plans. There was discussion on removing verses putting the funds on probation regarding the impact of participants, generally funds are on probation prior to being eliminated. There was a roll call vote done and the motion failed 8-2.

- Steve Hagen moved to add the Vanguard Total International Stock Index fund to the 457(b) and the Vanguard Mid Cap Index fund to the 401(a) plan. Tom Schneider second the motion which passed 10-1.
- In regards to adding a Bond Index to both plans there needs to be a Bond search done. Diane Fladmo moved to start the bond search and Tom Schneider second the motion which passed unanimously.
- Barb Wagner suggested that they still needed to look at the probation status for the Artisan International Investment at the January 2018 meeting. Steve Hagen moved to have the performance, expense fees, and peer group ratings reviewed for both funds, Jim Helgeson second the motion which passed unanimously.


a. DC Plans Investment Option Overlap Policy-Board Admin 08

- Mr. Eibsen went over the changes that were made to the policy at the July meeting, within the discussion it was brought up that the policy is probably already stated in the Investment Policy Statement for both plans and wondering if EIAC would like to eliminate the 08 Policy and add the few items that are duplicated in the Admin 08 policy to the Investment Policy Statement, these recommendations will then go to the Policy committee.

DISCUSSION ITEMS

X. Work in Progress (3:25:05-3:32:10)

- White Paper Draft- Ms. Davis and Melanie Symons, legal counsel, are still working on the draft and hope to have something more concrete by January 2018.
- Plan Document updates for the DCRP and 457(b) are being completed, they will go to the Board for approval in December at their next meeting.
- Participant Education is being done with the educational staff at MPERA Empower for participants to be aware of growth verses value and also on the new minimum deferral amount required for the 457(b) plan.

Meeting Adjourned at 4:50 PM

Next Meeting will by January 25, 2018

January Discussion Items:

- Annual Investment Policy Review
- PIMCO change in investment policy and impact on the Stable Value Fund
- Fund Review
- Bond Search
- Fund Option Overlap Policy (Board Admin 08)

April Agenda Items:

- Annual Fee Review
- Empower 2017 Plan Review