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David N. Sanford
Trustee

George A. Santos
Trustee

**INVESTMENT COMMITTEE MEETING
 DEFINED CONTRIBUTION PLAN**

Thursday, October 29, 2020
 Retirement Fund Conference Room

MINUTES

I. CALL TO ORDER

The Retirement Fund Investment Committee Meeting for the Defined Contribution Plan was called to order at 11:11 a.m. Thursday, October 29, 2020, in the Retirement Fund Conference Room. Investment Committee Chairman Artemio Hernandez officiated.

Board of Trustees Present:

Artemio R.A. Hernandez, Chairman
 Thomas H. San Agustin, Member
 David N. Sanford, Member

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller

Third Party Administrator Present:

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

II. ACTION ITEMS

1. **September 23, 2020 Regular Investment Committee Meeting Minutes**
2. **July 30, 2020 Due Diligence Meeting Minutes for the Quarter Ended June 30, 2020**

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to approve the Minutes of the September 23, 2020 Regular Investment Committee Meeting and the Minutes of the July 30, 2020 Due Diligence Meeting, subject to technical corrections. Without objection, the motion passed.

III. OPEN ITEMS

None

IV. NEW BUSINESS

1. **DC Plan Quarterly Performance**

Committee Chairman Hernandez stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the current Economic Outlook and the DC Plan's Investment Performance for the Quarter Ended September 30, 2020.

Director Paula Blas informed the Committee that Mercer's agreement will expire in March 2021.

Recommendations:

A. DC Plan Alternatives to Revenue Sharing

Committee Chairman Hernandez stated that Mercer recommends to remove the revenue share component and make the following changes:

- Hartford Total Return Bond - change the share class Y to share class R6
- Secure Foundation Balance Fund - change Investor share class to Institutional share class.

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to accept Mercer Consulting, Inc.'s recommendation to change the Hartford Total Return Bond share class Y to share class R6; and to change the Secure Foundation Balance Fund Investor share class to Institutional share class. Without objection, the motion passed.

B. William Blair Small-Mid Cap Growth

Committee Chairman Hernandez stated that Mercer recommends to switch from a Mutual Fund (MF) vehicle to a Collective Investment Trust (CIT) vehicle which will help reduce the expense ratio from 1.10 basis points to 0.89 basis points. This recommendation is subject to legal review of the Investment Management Agreement.

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to accept Mercer Investment Consulting, Inc.'s recommendation to switch the William Blair Small-Mid Cap Growth Mutual Fund vehicle to a Collective Investment Trust vehicle which will reduce the expense ratio from 1.10 basis points to 0.89 basis points; subject to Legal Counsel's review of the Investment Management Agreement. Without objection, the motion

C. Great-West Secure Foundation Lifetime Funds

Committee Chairman Hernandez stated that Mercer reported that Great-West decided to close the Great-West Secure Foundation Lifetime Funds effective February 2021. As a result, the following is proposed to occur:

- Great-West will be transitioning those in the Great-West Secure Foundation Lifetime 2020-2025-2030 Fund Investor to the Great-West Secure Foundation Balanced Fund Investor where the guarantee benefit will remain intact.
- Great-West proposes to transition participants in the Great-West Secure Foundation Lifetime 2035 Fund Investor and beyond to another Great-West product.

Committee Chairman Hernandez stated that the Investment Committee recommends that Mercer conduct a search for a replacement of the Great-West Secure Foundation Lifetime funds prior to the closure of the Great-West Secure Foundation Lifetime funds to minimize transaction costs.

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to accept The Investment Committee's recommendation that Mercer Investment Consulting, Inc. conduct a search for replacement of the Great-West Secure Foundation Lifetime Target Date Funds 2020 and beyond, which will be closing effective February 2021. Without objection, the motion passed.

D. Touchstone International Small Cap

Mr. Systemans stated that the Retirement Fund placed the Touchstone International Small Cap strategy on watch in April 2020 due to their underperformance and requested Mercer to move forward with a search for a replacement manager. Mr. Systemans stated that Mercer recommends to replace Touchstone International Small Cap strategy with Grandeur Peak International Stalwarts.

Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, moved to accept Mercer Investment Consulting, Inc.'s recommendation to replace Touchstone International Small Cap Strategy with Grandeur Peak International Stalwarts. Without objection, the motion passed.

Responsible Investment - Committee Chairman Hernandez stated that the Investment Committee discussed Responsible Investment. Mercer provided an update of Responsible Investment and its role in an Investment Portfolio.

V. INFORMATIONAL ITEMS

1. 5-Year Plan

A copy of the 5-Year Plan was provided to the Committee for review and informational purposes.

VI. OPEN DISCUSSION

None

VII. CORRESPONDENCE

None

VIII. ANNOUNCEMENTS


1. Next Due Diligence Meeting: January 28, 2021

Committee Chairman Hernandez informed the Committee that the next Quarterly Performance meeting is tentatively scheduled for January 28, 2021.

IX. ADJOURNMENT

There being no further business before the Investment Committee, a motion was made by Committee Member Thomas San Agustin, seconded by Committee Member David Sanford, to adjourn the meeting at 12:18 p.m. Without objection, the motion passed.

Respectfully submitted,



JACKIE M. BLAS
Recording Secretary

AFFIRMED:



ARTEMIO R.A. HERNANDEZ, Ph.D.
Investment Committee Chairman