

**CITY AND COUNTY OF HONOLULU
DEFERRED COMPENSATION PLAN COMMITTEE MEETING**

MINUTES OF THE QUARTERLY MEETING OF THE COMMITTEE

The Quarterly meeting of the City and County of Honolulu Deferred Compensation Plan Committee (“Committee”) was held on Friday, March 10, 2023, at the Mayor’s Conference Room, 530 South King Street, 3rd Floor, City Hall, Honolulu, Hawaii.

Present: Andrew Kawano (Department of Budget and Fiscal Services (BFS) Director & Committee Chair)
Nola Miyasaki (Department of Human Resources (DHR) Director & Committee Member)
Reid Yamashiro (Deputy Corporation Counsel & Committee Member designee for Corporation Counsel Dana Viola)
Chamara Silva (Administrative Services Officer & Committee Member designee for Managing Director Michael Formby)
Chase Masuda (Committee Member (Active))
Michael Golojuch (Committee Member (Retiree))
John Hashimoto (Committee Member (Active))

Staff: Carrie Castle (BFS Deputy Director)
Florencio “Bugs” Baguio, Jr. (DHR Assistant Director)
Lynn Wakatsuki (Deputy Corporation Counsel)
Jenny Tobin (DHR Benefits, Research, and Transactions Branch Chief)
Jennifer Bishop (BFS Administrative Services Officer & Deferred Compensation Plan Committee Administrator)

Guests: Bill Tugaw (NFP Retirement) – Managing Director
Deirdre Jones (Voya – Vice President – Strategic Relationship Management)
Jared Nakamoto (Voya – Financial Advisor and Hawaii Case Manager)
Stacey Laxton (Voya – Communications Consultant) (by webex)
Brent Yonemoto (Voya – Financial Advisor)

I. CALL TO ORDER

With quorum present, Chair called the meeting to order at 12:06 p.m. and presided as chair of the meeting. Jennifer Bishop (Jennifer) acted as secretary.

II. MINUTES OF PREVIOUS MEETING – Action

Committee members reviewed the November 30, 2022, Quarterly Meeting minutes and Chair asked for discussion.

On a motion duly made by Reid Yamashiro, seconded by John Hashimoto, and unanimously carried, the Committee approved the November 30, 2022, Quarterly Meeting minutes.

III. PUBLIC COMMENTS – Information

Chair asked if there was any public input. There was no one from the public in attendance.

IV. VOYA REPORT – Information/Action

- A. Stabilizer Update – Voya provided an update on this item in the 2023 Annual Meeting.
- B. Fee Differential and Revenue Credit Update – Voya provided an update on this item in the 2023 Annual Meeting.
- C. Fund Change Update – Deirdre Jones (Deirdre) provided an update stating that the fund changes that were scheduled on March 5, 2023, have been completed.
- D. Terminated Accounts Under \$5,000 Update – Voya provided an update on this item in the 2023 Annual Meeting.
- E. Plan Document and Adoption Agreement Update – Voya and Lynn Wakatsuki provided an update on this item in the 2023 Annual Meeting.
- F. SLK Acquisition Update – Deirdre explained that Voya is requesting the Committee to provide global consent of the offshoring of back office processing and for the call center. Voya has partnered with SLK, located in India, in a joint venture for back office processing as part of the effort to expand innovation capabilities such as using artificial intelligence. Voya SLK has about 1,300 employees to support this effort.
- G. Infosys Update – Voya has partnered with Infosys, which currently works with five other Record Keepers for call center capabilities. This partnership allows Voya to leverage resources in the Philippines who have worked with other Record Keepers and developed an expertise in retirement administration. With the Committee's consent, when call volumes are high, calls would be diverted to the first available representative, whether in the U.S. or Philippines. Without the Committee's consent, the service levels do not change, but calls would be parked until a U.S. representative is available. Deirdre shared that there was a 98% satisfaction rate of Infosys with the call quality being rated at 92% from a recent survey.

On a motion duly made by Michael Golojuch, seconded by Nola Miyasaki, and unanimously carried, the Committee approved to provide consent for Voya to use SLK and Infosys to provide services to Plan participants.

H. Other Issues – None.

V. NFP CONSULTING REPORT – Information/Action

- A. Watch List Update – Bill Tugaw (Bill) explained the fiduciary investment review process and the proprietary scorecard.
 - 1. American Funds Europacific Growth – This fund has emerging market exposure, unlike the benchmark. Emerging markets have been lagging lately, so any exposure will detract on performance. When compared to the MSCI ACWI ex US Index, it scores a 10. There are 12 portfolio managers and American Funds has a low expense, about 48 basis points which is well below most international large cap growth funds. NFP recommends this fund remain on the Watch List. Next quarter, replacements funds may be considered by the Committee if this fund continues to score a 6 or below for 4 straight quarters.

2. PIMCO Real Return Institutional – This fund scored a 9 but since it scored a 6 in 2022 Q2, it must remain on the Watch List until there is a full year of acceptable scores. NFP recommends this fund remain on the Watch List.

On a motion duly made by John Hashimoto, seconded by Chamara Silva, and unanimously carried, the Committee approved as accepted NFP's Fourth Quarter Watch List recommendations.

- B. Legislative and Regulatory Update – Bill provided the legislative and regulatory update in the 2023 Annual Meeting.
- C. Other Issues – None.

VI. OTHER BUSINESS – Information/Action

- A. City Health and Wealth Fair – Tuesday, October 24, 2023 – Jenny Tobin provided the following updates:
 1. This is the City's first benefits fair and it will be at the Neal S. Blaisdell Center.
 2. Participants and employees were surveyed for their interest in attending a health and wealth fair. There were 853 individuals who completed the survey, of which 418 responded that they would attend.
 3. Mayor has approved employees to have two hours of paid time off to attend the fair, operations permitting.
 4. Representatives from EUTF, Social Security Administration, Voya, Morningstar, and Vanguard will be participating and we are working with them to use their logos on the announcements. There will be free biometric, blood pressure, and flu shot stations.
 5. There will be mini-bentos, door prizes and giveaways to make the fair attractive for people to attend.

VII. REPORT ON ADMINISTRATIVE EXPENSES – Information/Action

Jennifer provided the administrative expenses for the period beginning December 1, 2022, with a balance of \$145,833.07 and ending March 10, 2023, with a balance of \$219,113.93. The 2022 Q1 and Q4 checks were received from Voya. Expenses totaled \$14,219.14 and included \$12,375.00 for NFP 2022 Q4 Consulting Services, \$99.14 for Health & Wealth Fair Survey Drawing Prizes, \$600.00 for the 2023 NAGDCA Annual Membership and \$1,145.00 for the annual IFEBP Annual Membership.

On a motion duly made by Nola Miyasaki, seconded by Reid Yamashiro, and unanimously carried, the Committee approved and accepted the Committee's administrative expense report as presented.

VIII. EXECUTIVE SESSION (as required)

The Committee did not go into Executive Session.

IX. NEXT MEETING DATES – Information (subject to change)

Second Quarter – DHR Conference Room, FMB 10th Floor
Friday, May 26, 2023, 9:30 a.m. – 12:00 p.m.

457 University Training – DHR Conference Room, FMB 10th Floor
Thursday, August 24, 2023, 9:00 a.m. – 3:00 p.m.

Third Quarter – Mayor's Conference Room
Friday, August 25, 2023, 10:00 a.m. – 12:00 p.m.

Fourth Quarter – Mayor's Conference Room
Friday, November 17, 2023, 9:30 a.m. – 12:00 p.m.

X. ANNOUNCEMENTS

There were no announcements.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Jennifer Bishop
Secretary