

GENERAL EMPLOYEE'S PENSION COMMITTEE
CITY OF SEWARD, NEBRASKA
MINUTES
March 12, 2019

The Committee meeting was called to order at 1:30 p.m. by Committee Chair Bryan Duer. The committee members present were: Nick Wolf, Dan Hansen for Bob Miers, Jodie Niebrugge, Alan Cihal, Bryan Duer, Tim Richtig for Gary Janicek and Mindy Meier. Absent: None. Other officials present: Bonnie Otte, Assistant Administrator/Clerk-Treasurer/Budget & Human Resource Director. Presentations and meeting information were presented by Josh Ruhnke of Ameritas.

Chairman Duer announced that a copy of the Agenda for this meeting is posted on the north wall of the Municipal Building and copies are available on the north wall where a copy of the Open Meetings Act is also posted for public inspection. The City General Employee's Pension Committee reserves the right to adjust the order of items on this agenda if necessary and may elect to take action on any of the items listed.

1. APPROVE MARCH 12, 2019 GENERAL EMPLOYEE'S PENSION COMMITTEE MEETING MINUTES

Hansen moved, seconded by Niebrugge, to approve the minutes as presented.

Aye: Wolf, Hansen, Cihal, Richtig, Niebrugge, Meier, Duer

Nay: None

Absent: None. Motion carried.

2. ELECTION OF CHAIRPERSON

Duer nominated Meier for Committee Chair; seconded by Cihal. No other nominations were made.

Aye: Wolf, Hansen, Cihal, Richtig, Niebrugge, Meier, Duer

Nay: None

Absent: None. Motion carried.

Meier took over as Chairperson of the Committee

3. ELECTION OF SECRETARY

Hansen nominated Wolf for secretary, seconded by Duer. No other nominations were made.

Aye: Wolf, Hansen, Cihal, Richtig, Niebrugge, Meier, Duer

Nay: None

Absent: None. Motion carried.

4. INTRODUCTION OF NEW MEMBERS TO THE COMMITTEE

New member to the Committee: Mindy Meier. Department members remaining as representatives on the Committee: Bob Miers, Bryan Duer, Alan Cihal, Gary Janicek, Jodie Niebrugge. Representatives serve a two-year term.

5. 2019 MARKET OVERVIEW

Josh Ruhnke provided several handouts and fund performance information. Mr. Ruhnke provided the following narrative. 2019 Was a fantastic year for stocks, with all Morningstar Style Box categories posting returns at or above 20%. International stocks enjoyed robust returns as well despite ongoing U.S.-China trade tensions and Brexit developments. The Federal Reserve lowered interest rates three times last year, offsetting most of the rate increases from 2018 and boosting 2019 bond returns. Technology stocks remained on fire in 2019, bouncing back from lows at the beginning of the year. Most international markets posted impressive returns in 2019, but still trailed behind the U.S. All asset classes and the portfolio rebounded in 2019, with large-cap

stocks posting the strongest return since 2013. Intermediate-term government bonds still experienced their best year since 2011.

6. 2019 ANNUAL PLAN REVIEW

Twenty-two participants took advantage of individual one-to-one employee meetings with the Ameritas representative in November 2019. A quick survey of the Committee indicated they would like to see the practice of these individual meetings to continue in the upcoming plan year.

A fund change took place in July 2019: Invesco Developing Markets was replaced by American Funds New World Fund.

As of December 31, 2019, the Plan had \$5,310,802.15 in assets, with 48 participants. There were \$262,295.38 in total contributions; \$16,288 Voluntary after-tax Contributions; and \$414,152 in distributions.

The average account balance is \$110,642; the average age of participant is 53 years of age; and, the average years of service is 16 years.

Mr. Ruhnke stated 54% of the plan assets are in the Guaranteed account, which has a guaranteed rate of 3.0%, net of fees; 21% of the plan assets are in the Target-Date funds. Overall, the earnings were 13.05%. With such a high percentage in the Guaranteed funds, it brings the overall earnings rate down.

Mr. Ruhnke reminded the Committee that in addition to the City's mandatory plan where the employee contributes 6% of wages and the City matches at 6%, the City also offers a 457 Plan, but the City does not match the contribution. In the mandatory plan, normal retirement age is 65. Withdrawals cannot be made from the plan unless the employee leaves the plan or upon reaching age 62.

2019 457 ANNUAL PLAN REVIEW

The 457 Plan has \$265,000 in assets, with 12 participants. There were \$56,255 in total contributions; \$5,541 in Roth contributions, and \$29,212 in distributions. Overall, the plan earned 13.08%.

Mr. Ruhnke briefly reviewed the difference between the 457 and regular pension plan on withdrawals, including how and when penalties and taxes are assessed. Mr. Ruhnke also briefly explained the difference between a regular 457 retirement account and Roth 457. He said he would be happy to further explain the accounts to employees.

7. MESIROW FIDUCIARY SERVICE PREMIER LIST REVIEW

On the Mesirow watch list: Loomis Sayles Investment Grade Bond (performance & consistent style), and Templeton Global Bond: (performance). Mr. Ruhnke stated Ameritas watch list includes: Fidelity Advisor Small Cap: (fund manager); PIMCO Real Return (fund manager); and Vanguard Wellington: (fund manager). There were no recommendations for changes at this time.

8. 2020 INITIATIVE

A. Participant Meetings

Bonnie will work with Josh on getting a couple dates set up for individual meetings for 2020.

Mr. Ruhnke reminded everyone to "stay the course" and not to panic with investments. The first quarter of 2020 so far has been tough, given the coronavirus pandemic. He said it is not known how long this will last. He provided some information on historical events that caused a downturn in the market and the recovery information.

9. MOTION TO ADJOURN

Moved by Duer, seconded by Cihal to adjourn the meeting.

Aye: Wolf, Hansen, Cihal, Richtig, Niebrugge, Meier, Duer

Nay: None

Absent: None. Motion carried.

Nicholas Wolf
Secretary