

GENERAL EMPLOYEE'S PENSION COMMITTEE
CITY OF SEWARD, NEBRASKA
MINUTES
March 23, 2021

The Committee meeting was called to order at 1:30 p.m. by City Clerk/Human Resources Director Otte. Committee members present were: Julie Moody, Bob Miers, Jodie Niebrugge, Alan Cihal, Adam Bode, Gary Janicek and Tim Dworak. Absent: None. Other officials present: City Administrator Greg Butcher. Presentations and meeting information was presented by Josh Ruhnke of Ameritas.

Otte announced that a copy of the Agenda for this meeting is posted on the entrance table of the meeting room as well as a copy of the Open Meetings Act 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, 2020 GENERAL EMPLOYEE'S PENSION COMMITTEE MEETING MINUTES

Moody moved, seconded by Janicek, to approve the March 12, 2020 minutes as presented.

Aye: Moody, Miers, Cihal, Janicek, Niebrugge, Dworak, Bode

Nay: None

Absent: None. Motion carried.

2. ELECTION OF CHAIRPERSON

Miers nominated Dworak for Committee Chair; seconded by Cihal. No other nominations were made.

Aye: Moody, Miers, Cihal, Janicek, Niebrugge, Dworak, Bode

Nay: None

Absent: None. Motion carried.

Dworak took over as Chairperson of the Committee

3. ELECTION OF SECRETARY

Miers nominated Bode for secretary, seconded by Janicek. No other nominations were made.

Aye: Moody, Miers, Cihal, Janicek, Niebrugge, Dworak, Bode

Nay: None

Absent: None. Motion carried.

4. INTRODUCTION OF NEW MEMBERS TO THE COMMITTEE

New members to the Committee: Julie Moody, Adam Bode and Tim Dworak. Department members remaining as representatives on the Committee: Bob Miers, Alan Cihal, Gary Janicek, Jodie Niebrugge. Representatives serve a two-year term.

5. 2020 MARKET OVERVIEW

Josh Ruhnke provided several handouts and fund performance information. Mr. Ruhnke provided the following narrative. He stated that overall, the funds performed well in 2020. In a year that saw so much devastation around the world, return numbers for most asset classes were not only positive, but in double-digit territory. U.S. stocks recovered quickly and especially saw significant increases in the 4th quarter when the COVID vaccination came out and businesses were allowed to reopen. The Growth stocks outperformed the Value stocks for the year. Consumer Cyclical (appliances, autos, homes) saw the greatest gains - people were not vacationing but spending money on home improvements and large purchases; Energy was down due to no travel and people

working from home; Technology saw large increases due to the companies relying on technology for work-from-home, video meetings, etc.; Real estate (commercial) and Utilities ended in the negative since offices and factories remained closed or running at limited capacity.

The international stock market also remained strong in the 4th quarter, although not enough to push all regions into positive return territory for the year. It is anticipated over the next 10 years the international funds will outperform the U.S. funds. While diversification is always encouraged, it may be the right time to consider investing some in the international markets.

As expected, an aggressive portfolio with larger allocation to stocks was able to deliver returns superior to its moderate and conservative counterparts over longer time horizons. Due to the low bond rates, the conservative portfolio saw the lowest returns. All three portfolios (Aggressive, Moderate, Conservative) not only recovered their losses from the COVID-19 crash in March 2020 but were able to surpass their pre-pandemic highs.

6. 2020 ANNUAL PLAN REVIEW

Fifty-two participants had a balance in 2020 totaling \$5.87 million in assets. The average account balance was \$112,803 with the average age of participant at 50.65 years of age and 15 years of service.

There were \$233,751 in contributions and \$202,455 in distributions.

Overall, the plan earned 10.08% for the plan year.

7. INVESTMENT REVIEW: MESIROW FIDUCIARY SERVICE POLICE REPORT & AMERITAS WATCHLIST

On the Mesirow watch list: FTVIPT Templeton Global Bond VIP (performance), Ivy High Income (performance) and MFS International New Discovery (performance).

Mr. Ruhnke stated Mesirow has removed FTVIPT from their covered services and recommends the City also remove it from the lineup. Currently, there are no participants with investments in this fund.

Moody moved, seconded by Miers that the FTVIPT Templeton Global Bond VIP fund be removed from the City of Seward General Employee Pension plan lineup.

Aye: Moody, Miers, Cihal, Janicek, Niebrugge, Dworak, Bode

Nay: None

Absent: None. Motion carried.

Mr. Ruhnke stated the Ameritas watch list includes: Ivy High Income (performance); T. Rowe Price Retirement 2010 through 2060 (investment strategy change - moving more funds toward stocks and away from bonds); FTVIPT Templeton Global Bond VIP (performance); Vanguard Wellington (fund manager change); BNY Mellon Natural Resources (fund manager change); and MFS Value (fund manager change). There were no recommendations for changes at this time.

Mr. Ruhnke reported that 45% of the employee investments are in the Guaranteed Investment Account, which earned a blended rate of 3.30% (can never earn below 3.0%); 25% are in the Target Date and Balance Funds; and, 13% are in the Large Cap Asset Class.

Mr. Ruhnke stated Ameritas has made some security enhancements within the past year including multi-level authentication for account access. He encouraged all employees to set up a user account and to check their account periodically. He is not aware of any fraudulent access to any of the City participant accounts.

8. 2021 INITIATIVE

A. Participant Meetings

City Administration will work with Josh on getting a couple dates set up for individual meetings for 2021.

9. MOTION TO ADJOURN

Janicek moved, seconded by Miers to adjourn the meeting.

Aye: Moody, Miers, Cihal, Janicek, Niebrugge, Dworak, Bode

Nay: None

Absent: None. Motion carried.

Adam Bode
Secretary