

**Larimer County 401(a) Retirement Plan
1Q22 Quarterly Review Meeting**

Meeting Minutes

Introductions

Larimer County: Matthew Behunin, Irene Josey, Tim Keeton, Jordan W, Kathy Harris, Jennifer Whitener, Brigitte Grimm

TIAA: Shane Roghaar, Richard Diodosio

Innovest: Jared Martin and Jack Schutzius

Participant, Jordan W, shares survey results of vesting schedule

- Seems to be a desire for more rapid vesting schedule
- Decision was made to not change vesting schedule recently
- Forfeiture reallocation process:
 - forfeited non-vested money goes to people who have been with the County for a longer amount of time
- Jordan makes the point that he thinks it odd that older employees are financially rewarded when younger employees leave
- Jordan wants to know how the current vesting schedule and its implications can be more transparent if the vesting schedule isn't going to change

Termination report (HR)

- Compliance Audit Request (Jennifer Whitener)
 - Completion of non-financial audit is underway
 - Making sure the County is in line with all current legislation
 - Reached out to Sherman and Howard LLC to help them with the compliance audit
 - Billing at an hourly rate: quoted them for \$6500 total
 - Would be for 401a and 457

Motion passed - County allocated budget funds will be used to pay Sherman and Howard LLC for the Compliance Audit

- Brief Discussion of upcoming Fund Changes
 - Discussed the fund changes and additions, effective 6/28/22
 - Templeton Foreign (FTFGX) to Dodge & Cox International (DODFX)
 - AQR International (AQIRX) to American Funds EuroPacific R6 (RERGX)
 - Add Vanguard Total International Stock Index (VTIAX)

TIAA

- Richard Diodosio
 - Discusses market volatility
 - Lots of calls from worried participants
 - Advice offering
 - Keeping people on track for long-term goals
 - \$21 Million decrease (in both plans) due to the volatility
 - \$5 Million in outflows from the plan going to advisors in the local area and small RIA firms
 - No need to move money out of plan after retirement – education is important in regard to this
 - Richard reminds everyone, that the 2065 Target Date vintage was added

Innovest

- Jared Martin
 - SECURE ACT Update
 - Non-spouse Beneficiary
- SECURE 2.0
- Litigation Update
 - Fortunately hasn't entered the government non-ERISA space
 - Centered around issues with proprietary funds and fees
 - Innovest is keeping an eye on: Managed Accounts and Income products
- Fee Review
- Menu Coverage – Innovest comfortable with this (changes coming in June with the International space)
- Participants invested in a comfortable way (~1/3 of assets in Target Date Funds)
- Volatility in the markets – maintaining long-term perspective
 - The emotions of the rate hikes, quantitative tightening; the markets respond quickly
 - Caution in the short-term; focus on the long-term
 - Labor Markets – Headwinds to Economic Growth
- Way more job openings than unemployed persons
 - Inflation
 - Expectation that this will come down over the next three quarters or so
- Fixed Income
 - Prices likely to bounce back after a historically poor quarter (1Q 2022)

Importance of leaning on partners like TIAA for educational purposes

- Scorecard
 - Eliminating AQR Intl Equity (AQIRX) and Templeton Foreign
 - Will not be on the scorecard for next quarter
 - T. Rowe BCG
 - Performance concern
 - T. Rowe Price
 - Performance concern
 - Looks to be bouncing back in recent quarters
 - Vanguard FTSE
 - Reminder – this is used for Social Responsibility purposes
 - Harding Loevner Emerging Markets
 - 9% Russian exposure
 - Very tough quarter
 - No recommendation for manager changes at this time
- Ann Schleck Fee Benchmark Report
 - Plan fees coming in at lower than average
- Share Class Review
 - Vanguard FTSE Social Index
 - Could move from 14 basis points to 12 basis points
 - Duty of the board would likely be to move to the lower cost share class as soon as administratively possible

Motion made to make the share class change to the 12 basis point share class, waiving the normal 30 day participation requirement (VFTAX moving to VFTNX)

- **Jared and Jack to work with Richard Diodosio and Matthew Behunin to put this in motion**