

STRIVE
FINANCE COMMITTEE MEETING – March 10, 2016

Scott Coleman, Marna Lake, Jeff Parker, Cathy Staten, Joe Warner

PRESENT FROM STRIVE:

Sharon Jacksi, Chris Bergquist, Linda Briggs, Mickey Burns

ITEM	OVERVIEW OF MEETING
1	Minutes of the Previous Meeting
2	403(b) Review
3	Loan Discussion
4	General Discussion & Committee Feedback

Minutes of the Previous Meetings - It was moved & seconded that the minutes of the previous meetings from May 28, 2015, and September 22, 2015 be accepted.

403(b) Review – Ty Berry from AUL handed out the plan review, and the peer analysis. On page 16 of the Plan Review, Ty pointed out that 51% of the participants are age 60 plus, and the next highest category are ages 50-59 at 33%. Page 17 shows how the assets are allocated by age. The Stable Value Account only has participants 50 and over. Target date funds continue to grow after changing them to the default investments. Kyle is meeting with folks helping them choose funds, and target date funds. Page 20 provides information on the terminated participants in the plan. Once or twice a year, the terminated participants are contacted to remove funds under \$5,000. Page 21 provides information on what we anticipate for future contributions. Turning to page 25 will show the current contributions by source, and page 26 shows by asset class. Page 27-30 discloses fee breakdown with a total fund management weighted average of 1.42%. The average fee for similar funds according to Invesco is 1.88%. According to page 31, the participation rate was 12% for 2015, with an industry average of 80%. Turning to page 35 will show that 12 loans are outstanding in the plan currently. The percentage of plan assets loaned out is 1.8%, with an interest rate of 3.25%.

Peer analysis – Pages 4-6 discuss how the funds are scored. On pages 7-22 the active investments are summarized, with our plan's funds highlighted in yellow. The funds shown in this section are still desirable with a green and blue overall score. If there is a low score in a prior quarter, that is shown in red. Page 23 shows the index funds that are passing. Listed on pages 24-30 are the funds on the watch list. It was decided to leave the American Century Inflation Adjusted Bond A LW on page 24 for another year (no one in the fund). The Committee decided to retire the Prudential Jenn 20/20 Focus Z and map to the TIAA-CREF Large Cap Growth Index Fund, retire T Rowe Price Equity Income Fund and map to TIAA-CREF Large Cap Value Index Fund, and retire Goldman Sachs Tech Opps Fund and map to Columbia Seligman Comms & Info Fund. Ty will prepare the paperwork and notifications necessary for Chris to sign. This is a 45-60 day process, with a 30 day participant notice.

Loan Discussion – The three scenarios were handed out for the Committee to review. Chris explained that Jen from the Bank of the San Juans contacted him regarding our Wells Fargo loan and explained that they could offer a fixed rate of 3.59% for an

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additional savings of \$12,000 over the life of loan. Appraisals and loan fees were estimated at between \$20,000-30K. There are no prepayment penalties on the current loan. The Committee asked if paying off the current CHFA loan with Wells Fargo would be a lost opportunity. It was noted that smaller bank aren't regulated as much as large banks. Chris will check if there would be any significant changes to the loan covenants, and will review the current loan documents in detail. Chris will ask if Bank of the San Juans has a purchase card program. He will also check on reinstating a Line of Credit. The timeline for the potential refinance is around the beginning of the new fiscal year.

General Discussion – Chris mentioned that Scott and Cameron from Mutual of Omaha contacted us regarding our retirement plan. They explained that their total expense ratio is .96%. They perform all the administration, and choose to outsource the investments. Their specialty is non-profits, and they have local and regional references. They are big on customer service, and make a point of visiting all the remote sites on a regular basis. The Committee felt this opportunity is worth pursuing, due to the complaints we have had with our current provider and the current fees. Sharon and Chris will reach out to the references, and quiz them about the year-end processes.