A regular meeting of the DART Capital Accumulation Plan and Trust and the DART Retirement Plan and Trust Retirement Committee was held Monday, January 28, at 1:30 p.m., 1401 Pacific Ave. Dallas, Texas, in the HC Training Room, 4th floor.

Present Committee Members: Nichole Fontayne-Bárdowell, Jose Cavazos, Annette Levine

Committee Members Not Present: Ricky Walker, Joe Costello, Mack Turner

Retirement Plan Consultants: Rich Eager, Matthew Eickman, Eric Krause, Marshal Burke (QPA)

Others: Thomas Arcuri, Nick Sauter (Vanguard)
Cheryl Orr, Blake Horton, Lisa Revell (Human Capital)
Dwight Burns (Finance)
Peter Brannan (Legal)

Visitors: None

Item #1: Determination of Quorum
Ms. Fontayne-Bárdowell determined a quorum was not present at 1:35 p.m. at the start of the meeting.

Item #2: Approval of Minutes for Meeting Held December 10, 2018
There was no approval of minutes due to the absence of a quorum.

Item #3: Qualified Plan Advisors
a) Overview & Introductions:
Each meeting attendee introduced themselves.
b) 401(k) Market Overview & Economic Update:
The QPA team made the following comments on the 401(k) Market Overview & Economic Update:
• The 401(k) Plan balance was $258.4 million as of December 31, 2018
• U.S. markets struggled in the 4th quarter after a strong 2018
• US markets, as measured by the Russell 3000 were down over 14% during the quarter
• Fixed income, as measured by the Aggregate US Bond Index was up 1.6%.

QPA was asked to bring back additional information on the Dodge & Cox International Stock Fund. QPA agreed to provide this information for the Committee.
c) 401(k) Monthly Investment Report:
The QPA team introduced the new investment review report and quantitative scoring system then made the following comments on the 401(k) Investment Report:
- On the scoring system, ranking criteria includes items such as manager tenure, total net assets, peer return rankings, Sharp ratio, Beta, expense ratio and Morningstar ranking
- All core holdings passed the screening criteria with the exception of Diamond Hill Small-Mid Cap and Vanguard Total Bond Index
- QPA indicated that under the default scoring, the Vanguard Target Date Funds appear on watch due to the Institutional share class not yet having 5 years of return history

d) MPP Asset Allocation Review
The QPA team introduced an asset allocation tracking sheet for the Money Purchase Plan and made the following comments on the MPP Asset Allocation Review:
- The Committee reviewed the current investments within the Plan and associated dollars.
- The Fund ranking score was also listed using the same methodology as the 401(k) funds
- Allocations to Bond, US Equity, International and Real Estate all remain within the bounds set in the current IPS
- Due to recent market volatility, the Bond allocation is currently overweight by 2%, while International Equity is currently 1.91% under the target allocation
- There is currently no need to balance the portfolio

e) MPP Monthly Investment Reports
- The MPP balance was $239.9 million as of December 31, 2018
- QPA provided an overview to the investments within the MPP using the same criteria outlined in the 401(k) report
- All funds show as passing with the exception of the Vanguard Short Term Bond Index

Item #4: Vanguard
Mr. Arcuri announced that he would be taking on other responsibilities at Vanguard and introduced the Committee to his replacement, Nick Sauter.

a) The State of the Plan
Mr. Arcuri gave the following update on the State of the Plan:
- Participation is steady at 86% over the past 3 years
- The average percentage of savings per pay is at an all-time high of 7.3%
- The participants are well diversified since 2016

b) Recordkeeping Fee Reduction Summary
The Vanguard team gave the following update on the Recordkeeping Fee Reduction Summary:
- Across both plans, the number of participants has increased by 345 since 12/31/2016
At the end of 2017 there has been an increase of $68.3 million in assets from the end of 2016

The All in Fee (including record keeping and investment management) has gone down from .33% of assets to .25% of assets

The recordkeeping fees DART pays to Vanguard have been cut in half over the past three years (12 basis points to 6 basis points)

c) Advice Overview
Below are some of the highlights mentioned by Mr. Sauter on the Advice Overview item:

- The Income Plus service (for ages 55-69), which is a component of the Managed Account program, takes a holistic look at possible streams of income to start building a drawdown strategy starting within 5 years of their planned retirement
- The program aims to minimize investment errors which could negatively impact a participant’s retirement income.
- There is no charge for this service

There was a discussion on a need for increased participant education.

Item #5: Other Business
a) Retirement Administration Report
Mr. Horton gave an overview of the Pension Review Board communication, and TEXPERS fiduciary training at the upcoming TEXPERS conference.

Item #6: Comments
Mr. Horton announced, from this point on, the meeting materials will be presented electronically as opposed to a physical handout packet.

Item #7: Adjournment
The meeting adjourned at 3:19 p.m.

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Chairperson  Date

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Committee Secretary  Date